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ABSTRACT

The relationship of the Regents of the University of Michigan and the Legislature of the state, 1920-50 is discussed in historical perspective. An overview of the theory and practice of the relations between governing boards of public institutions of higher education and state government is presented in Chapter I. Chapter II traces the history of the University of Michigan and its constitutional status. Chapter III documents the modifications and changes that occurred in the relationship between the University and the State from 1920 to 1950. Chapter IV provides an analysis of the operational effects of the changing relationship between the Regents and the Legislature. The implications of the changes in the relationship are analyzed and resultant conclusions are summarized in Chapter V. An extensive bibliography of primary and secondary sources is included. (Aughor/MJM)

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Number 2

The Regents of The University of Michigan and the Legislature of the State, 1920-1950

by David B. Laird, Jr.

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THE REGENTS
OF THE UNIVERSITY OF MICHIGAN
AND THE LEGISLATURE
OF THE STATE, 1920-1950

By
David B. Laird, Jr.

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FOREWORD

This second volume in the "University of Michigan Social Foundations of Education Monograph Series," *The Regents of The University of Michigan and the Legislature of the State, 1920-1950* by David B. Laird, Jr., serves as an excellent companion to the first number in the Series, *Philanthropic Foundations and The University of Michigan, 1922-1965*, by Alan H. Jones.

Both are historical studies which investigate the relationship of a major state university with political and economic institutions with which it has co-existed during the past half-century. Published simultaneously with numbers three and four, these volumes help to spearhead the efforts of the Series' publishers to share educational studies of historical, philosophical, and sociological significance.

The author and the series editor are deeply indebted to the faculty committee which sponsored the study: Professor Claude A. Eggertsen, School of Education, co-chairman; Professor Frederick L. Goodman, School of Education, co-chairman; Professor Paul D. Carrington, School of Law; Professor Robert M. Warner, Department of History; and Professor G. Max Wingo, School of Education.

CLAUDE A. EGGERTSEN
Editor

These institutions of learning are very close to the hearts of the people of Michigan. They have made them the most unique organizations known to the law, in this, that they are constitutional corporations created for the purpose of independently discharging state functions. The people are themselves the incorporators. The boards that control them are responsible only to the people who elect them. They are independent of every other department of state government.

State Board of Agriculture v. The Auditor
General (226 Mich. 417) 1924.

ACKNOWLEDGMENTS

One of the most critical stages of any study is the formulation of the research question and the identification of its parameters. I wish to recognize the vital contributions made by Dr. Peter E. Van de Water and Professor David L. Madsen at this stage and to note my appreciation for their continuing encouragement.

Special gratitude is extended to Dr. Robert M. Warner and his staff at the Michigan Historical Collections for their superb service and sustaining interest. The patient and enlightened assistance of Miss Mary Jo Pugh throughout the project deserves particular recognition.

The members of my doctoral committee have been helpful in offering direction and scholarly advice and have my lasting respect and gratitude: Professor Paul D. Carrington, Professor Robert M. Warner, and Professor G. Max Wingo.

As Co-Chairmen of the committee Professor Claude A. Eggertsen and Professor Frederick L. Goodman have rendered thoughtful and stimulating assistance at every stage of the process. They have the rare ability to provide continuing support while reminding one of the exacting standards of true scholarship. I am especially indebted to Professor Eggertsen for his skillful and discerning guidance during the writing and revising of the text.

Mrs. Bernice Gutekunst has labored over the preparation of the manuscript from start to finish and has earned recognition for her excellent and pleasant service.

To my wife, Joanne, I am most grateful for she has provided seemingly unlimited love understanding, and sustenance during these past three years. To our daughter, Katrin, I offer thanks for her boundless enthusiasm and her constant reminders of the joys of each day.

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INTRODUCTION

In the history of The University of Michigan there have been periods of vitality, insecurity, division, prosperity, and glory. Throughout, the University has enjoyed a remarkable support from the people of the State of Michigan and in turn has sought to serve the educational needs of the State. Fundamental to this historical relationship has been the constitutional and statutory status of the University and the ongoing interaction between the University and the State Legislature.

At the turn of the twentieth century, The University of Michigan was in an envied position. As a constitutionally autonomous corporation it had experienced a half century of unprecedented growth and development, which elevated the University to preeminence among state universities. The application of a state-wide property mill tax to provide operating funds for the University was a model of efficiency and stability. This system supplemented the constitutional autonomy of the University, providing a minimization of external influence and political control.

By 1920 the State of Michigan was experiencing the problems of rapid population increases and industrial expansion. New responsibilities and multiplying difficulties provided a constant challenge for the State government and reforms in structure and procedure were frequent. Among these changes were the addition of a centralized administrative board and a ceiling established for revenues realized by the University from the property mill tax. Both incidents reflect the commencement of a period of change for the University and the State. The subsequent changes are particularly evident in the relationship between the Regents and the Legislature as legislative appropriations became the pivotal factor of the relationship.

Whereas, prior to 1920 one could make a strong argument for the Regents representing a fourth coordinate branch of government, by 1950 one could assert that the Regents had become increasingly subordinate to the Legislature, primarily as a function of the growing dependence on the Legislature for annual appropriations for operating funds.

This study concentrates on the changing relationship between the Regents and the Legislature from 1920 to 1950. There is an attempt to assess the new relationship and its implications as well as an attempt to determine whether the changing relationship has altered the de facto status of the constitutional autonomy of The University of Michigan.

Several assumptions have guided the research and analysis of the study. First it has been assumed that the legal status of educational institutions has a significant impact on the general functioning of the institutions. Second, the means by which an educational institution is financed has been assumed to affect directly the program of the institution as well as methods by which it solves its problems. Third, it has been assumed that in the University budgetary process the administrative officers act as representatives of the governing board and may be considered an integral factor of the relationship between the governing board and the legislature. Finally, it has been assumed that the term "relationship" may be utilized to identify the various levels and forms of interaction between two corporate bodies with varying personnel and functions.

The reader is cautioned against assuming that this study is either an institutional or legislative history, for it is neither. The study is an identification and analysis of the changes in the relationship between the Regents and the Legislatures of Michigan over the span of three decades. Since that relationship has never been static, the conclusions which may be justified according to its status in 1950 may not be valid in 1970 and in fact may have been outdated in 1955. Thus, care must be taken to understand the historical context from which the observations and conclusions of the study have been drawn.

The study was initially conceived as a descriptive task with the primary objective that of identifying the nature of the relationship between two constitutional entities. A preliminary review, however, illuminated the dynamic elements of the relationship and potential changes in it. Further investigation substantiated the existence of these dynamics and brought about the realization that the research challenge was that of examining variations in the historic relationship between the Regents of the University of Michigan and the Legislatures of the State of Michigan.

The decision to focus the study on the thirty year period 1920-1950 was influenced by related factors which individually might not carry much weight, but collectively constitute a reasonable justification for the selection of this period. A principal factor was that the changes in the relationship between 1920 and 1950 were more fundamental and potentially significant than any except the modifications incorporated in the Constitution of 1850. The most important factor in defining the time period was that beginning the examination in 1920 offered the opportunity to view the University operating under the full benefits of the property mill tax, while terminating in 1950 afforded the vantage of the University existing within a State imposed annual budget-appropriations cycle. The changes in leadership of the University in 1920 and 1951 provided additional continuity and parameters for an analysis of the relationship. Finally, access to the correspondence and document collections of Regents, University Presidents, State Governors, and Legislators after 1950 are generally not open for research. Thus a continuation of the study beyond 1950 at this time would be questionable, if not impossible. However the limited documentation after 1950 does not impinge upon the reliability of the present study.

The sources for this study have been drawn from three distinct categories: manuscripts and documents; histories, biographies, and critical analyses; and personal interviews.

In the first category, use has been made of records of the constitutional conventions of Michigan, official records of the State Legislatures, personal papers and correspondence of Michigan governors and legislators, judicial decisions and opinions of the attorneys general of Michigan, official records of The University of Michigan, and personal papers and correspondence of University regents and presidents. Study was hampered by the scarcity of legislative committee records, of correspondence of many of the governors of the State, and of collections of personal correspondence of key legislators.

In the second category, reliance has been placed on histories of The University of Michigan, the State of Michigan, and higher education in the United States. Biographies of governors, legislators, regents and University presidents have been valuable sources of information and interpretation. Dissertations regarding The University of Michigan and university independence in general have also been useful. Critical analyses of the roles and stature of institutions of higher education have provided essential background and important paradigms of approach.

To supplement the written records a series of personal interviews was conducted with participants in and observers of the relationship between the Regents and the Legislatures. Several of the interviews have been transcribed and are filed with the Michigan Historical Collections under the title "The Regents of the University of Michigan and the State Legislatures: An Oral History Supplement." Among those interviewed were University administrators, state legislators, University regents, legislative and executive staff, and a former governor. A listing of the interviewees appears in the Bibliography.

The presentation of the study is organized into five chapters, followed by an appendix and bibliography. Chapter I is an overview of the theory and practice of the relations between governing boards of public institutions of higher education and state government. The historical development of these relations in the United States is traced to the sanctioning of Harvard College by the General Court of the Massachusetts Bay Colony in 1636. Beginning with the early state constitutions and continuing to the present, issues regarding the appropriate roles of governing boards and governmental officials with respect to public higher education have caused debate and controversy. An analysis of the status and powers of governing boards and the political and economic realities of state relations reveals the extent to which each of these factors tempers the general climate of the relationship between campus and capitol. The varying impact of reorganization of state governments on state relations is also documented, along with the fiscal dilemmas associated with increased financial dependence on the state.

Chapter II traces the unique history of The University of Michigan and its constitutional status. The origins and early developments of the predecessors of the University are outlined. The relevant sections of the Michigan Constitution of 1835 are discussed and the debates preceding the adoption of the Constitution of 1850 are analyzed for their effect on the future of the University. Financial support for the University is traced to federal land grants which proved to be insufficient and were later supplemented by appropriations from the State. These funds were authorized by the Mill Tax Act of 1867 which remained in effect until 1935. A summary of the involvement of the University in legal questions pertaining to its status is also incorporated. The chapter concludes with tentative assessments regarding the history of The University of Michigan and the implications for the relationship between the Regents of the University and the Legislature of the State.

Chapter III documents the modifications and changes that occurred in the relationship between the University and the State from 1920 to 1950. The events cited include three major transfers of leadership at the University, a succession of challenges to the power and authority of the Board of Regents, a gradual erosion of the financial independence of the University, and the continued impact of state, national, and international factors altering the context in which the University attempted to survive, improve, and serve. The role of the State Legislatures, as they affected the University, is charted throughout the three decades and note is made of the increasing role of the executive branch in the legislative process, especially pertaining to fiscal matters. The changing roles of the Regents and the University President receive attention, with emphasis on their roles in the interaction with the State.

Chapter IV provides an analysis of the operational effects of the changing relationship between the Regents and the Legislature. As a result of procedural and substantive alterations, the relationship became increasingly complex, more partisan, and more dependent on the overall balance of State needs and resources. Although the changes in the relationship occurred within the context of stable constitutional status for the University, University administrators and the State Executive emerged as primary participants in the relationship and acquired substantial power and influence. The combination of the complexities and uncertainties of a new budget-appropriations cycle and increased competition for limited resources further affected the relationship. Thus, the relationship between the Regents and the Legislature in 1950 was found to be different in many respects than that which pertained in 1920.

In Chapter V the implications of the changes in the relationship are analyzed and resultant conclusions are summarized. From 1920 to 1950 the relationship between the Regents and the Legislature was found to have changed significantly, primarily as a by-product of economic and social conditions in the State. The results of the changes included an increasing financial dependence of the University on the State Legislature, a changing role for the Regents, increasing State interest and activity in higher education, and a subtle diminishing of the *de facto* independence of the University. Available evidence suggests that neither the leaders of the University nor the Legislature sought to study systematically the implications of these changes and apply the increased understanding to their complex relations. Finally, the research challenges which remain are outlined and the assertion is made that the future success of higher education in Michigan will depend to a great degree on the ability of the leaders of State government and the institutions to sustain mutual respect and understanding of their separate and dual responsibilities while maintaining the support of an enlightened public.

CHAPTER I

GOVERNING BOARDS AND STATE GOVERNMENT

Historical Overview

Legislative involvement in higher education in the United States dates to 1636 with the establishment of Harvard College by the General Court of the Massachusetts Bay Colony.[1] Since that time legislative interest has varied greatly, but over the years legislatures have consistently shown an acute recognition of the importance of colleges and universities to the life of the society.[2] Public opinion has also been generally supportive of the role of institutions of higher education within the society, and accorded graduates of these institutions crucial roles in the leadership of the nation.[3] The implicit public trust in these institutions has been an integral element in the growth and development of higher education in the United States and the foundation for continuing relationships between state governments and the institutions of higher education.

---

[1] Samuel Eliot Morison, The Founding of Harvard College (Cambridge: Harvard University Press, 1935), p. 168.

[2] Malcolm Moos and Francis E. Rourke, The Campus and the State (Baltimore: Johns Hopkins Press, 1959), p. 258.

[3] Frederick Rudolph, The American College and University (New York: Vintage Books, 1962).

Although these institutions have been sanctioned by the elected legislatures of the colonies and states from 1636, the legislative role has not been the only dimension of public participation in institutional affairs. The governing boards of the colleges and universities have also been populated by varying ratios of laymen. The participation of laymen on governing bodies was not a North American innovation, but the reliance on the lay membership and the frequency of their presence on the boards were characteristics not generally found among their European precursors.[4]

Throughout the history of higher education in the United States, issues regarding the proper role of governors, legislators, and other governmental officials vis-à-vis governing boards and faculties have persistently caused friction, suspicion, and debate. However, on balance it is difficult not to conclude that the overall relationships have been mutually profitable, especially in view of the diversity and apparent strength of the institutions.

Such a conclusion should not be used to deny the existence of problems inherent in the interaction between the government and state universities. Although both are accountable to the general public, their responsibilities differ as do the means by which they are held accountable.

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[4] John S. Brubacher and Willis Rudy, Higher Education in Transition (New York: Harper and Row, 1968), pp. 25-39. Also Rudolph, American College and University.

A prime example is the role of the legislature in establishing the formula for the allocation of the resources of the state within the framework of demands for those resources from the varied sectors of the state. When contrasted with the responsibility of the university to engage the frontiers of knowledge and search for truth, one quickly recognizes the manifold opportunities for conflict between the operation of government and institutions of higher education.

The concern for being responsive to the public will, while protecting academic freedoms has caused considerable anxiety from the time of the writing of the early state constitutions. As was the case in Michigan,[5] many of the writers of the early state constitutions addressed themselves to this problem. Moos credits the constitutional architects with establishing barriers to protect institutions of higher education from the vagaries of state politics.

> With uncommon foresight the authors of early state constitutions and charters establishing state colleges and universities recognized that higher education, whether public or private, must be insulated from the momentary whims of statehouse politics. They knew this insulation should apply to all phases of academic life, not simply to the professor in the classroom. They feared lest political control over one phase of higher education might gradually encroach upon the vital center of academic freedom.[6]

Six state constitutions have provided institutions of higher education with constitutional status as virtual fourth branches of government.[7] These constitutional provisions represent the most extensive means of protection for universities, although most states have incorporated varying degrees of protection through either constitutional or statutory provision.[8]

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[5] _Infra_, pp. 44-49.

[6] Moos and Rourke, _The Campus and the State_, p. 4.

The enormous growth and development of the nation in the latter nineteenth and early twentieth centuries were accompanied by a concurrent and equally impressive transformation of the American university. The University of Michigan was a forerunner as the public state-supported university came of age.[9] These changes focused renewed attention on the relationships between the states and institutions of higher education.

It was during the early decades of the twentieth century that various reform movements gained considerable momentum in the United States, especially in the midwest. One recurrent theme was the review and revitalization of state government. This movement, reactions to it, and increasing public demands combined to spur reform in states throughout the nation. One readily apparent product was an increase in the centralization within state governments, generally resulting in increased authority, responsibility, and activity within the executive branch. This process continued through the first half of the twentieth century and was intensified by the activity of state governments in highway development, public welfare programming, and in public elementary and secondary education. Early in the nineteen twenties leaders in higher education were expressing concern about the implications of these developments for their institutions.[10] These discussions continue to date and encompass questions of constitutional authority as well as philosophical and functional mandates.

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[7] Ibid., p. 22. The states are: California, Colorado, Idaho, Michigan, Minnesota, and Oklahoma.

[8] An up to date summary of the present and past status of institutions of higher education in the United States is provided in M. M. Chambers, Higher Education in the Fifty States (Danville, Ill.: The Interstate Printers and Publishers, Inc., 1970). See also Fred William Hicks, Constitutional Independence and the State University, Ph.D. dissertation (Ann Arbor: The University of Michigan, 1963).

[9] Lawrence R. Veysey, The Emergence of the American University (Chicago: The University of Chicago Press, 1965), and Allan Nevins, The State Universities and Democracy (Urban, Ill.: University of Illinois Press, 1962).

Basic to the discussion is the need to distinguish between the general determination at the state level of the availability of resources for higher education and the decisions at the campus level regarding the internal allocation of institutional resources. One means to make the distinction is to classify the former as a political decision and the latter as an academic decision. However, in many cases the lines of distinction become blurred and herein lies the dilemma for many institutional and state officials.

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[10] The major portion of the 1923 meeting of the National Association of State Universities was devoted to a discussion of these developments and their implications: National Association of State Universities, Transactions and Proceedings, Vol. 18, 1920. The delegates at the convention of the Association of Land-Grant Colleges gave evidence of similar concerns in 1925: Association of Land-Grant Colleges, "Report of the Special Committee on State Fiscal Policies," Proceedings of the Thirty-Ninth Convention 1925 (Burlington, Vt.: Free Press Printing Co., 1926), pp. 277-278.

One analysis of this historic problem suggests that most educators would agree that the setting of priorities and the allocation of general state resources are decisions most appropriately made by elected representatives of the public in a democratic system. However, these same educators insist that the decisions regarding the internal allocation of resources must be shifted to the institutions, leaving them free of inhibiting controls and debilitating influence.

> If this principle of fiscal responsibility is accepted, then college officials believe that the schools will not be impaled on controls that not only frustrate day to day operations, but on occasion threaten a decline in the standards and quality at the institution itself.[11]

Legislators and state budget directors, on the other hand, argue that it is difficult, at best, to make decisions on primary allocations without prior knowledge of the proposed use of the funds. They further argue that the state budgetary system would lack coherence if the allocating agency had no means of determining the purposes for which funds are disbursed and the reconciliation of purposes with the established priorities of the state.[12]

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[11] Moos and Rourke, The Campus and the State, pp. 7-8.

Inevitably these discussions focus on two fundamental questions. Are public institutions of higher education distinct from other governmental agencies? To what extent are fiscal autonomy and academic freedom related? Both questions are, of course, worthy of extensive research themselves, but are only outlined here.

Chambers identifies three different theories of the relationship between higher education and state governments which he asserts not only require understanding, but a conscious choice made from among them.[13] Briefly stated, Chambers views the alternatives in treating higher education as:

1. A normal and regular function of government.
2. A unique function of government requiring special status.
3. A function of society not comparable to other functions.

The evidence presented by Chambers and Moos indicates that the vast majority of states have opted for variations of the second and third alternatives, but in some instances the application of rigid procedural controls

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[12] *Ibid.*, pp. 258-87. The presence of these arguments in Michigan was confirmed by background interviews conducted in the Spring of 1971.

[13] M. M. Chambers, *Freedom and Repression in Higher Education* (Bloomington, Ind.: Bloomcraft Press, 1965), p. 11.

(central purchasing, personnel regulations, etc.) has moved some institutions within range of the first alternative.

With regard to the second question, the ability to identify the distinction between fiscal autonomy and academic freedom is more difficult. In practice this difficulty has been the cause of considerable confusion and misunderstanding. Basic to answering the question is the determination of the necessary actions the state must take to safeguard the public interest and the identification of those actions that would jeopardize the essential conditions of academic freedom in institutions of higher education. Berdahl views the problem as a tug of war with the university's welfare in the balance. He argues the necessity of recognizing the distinction between academic freedom and institutional autonomy.

> A major source of current friction is that many academics are trying to protect too much, and many persons in state government are trying to claim too much. A fundamental cause of this confusion is the failure of persons on both sides to recognize that academic freedom and university autonomy, though related, are not synonymous and that university-state relations in one area may quite properly differ from those in the other.[14]

Berdahl also asserts that where the state must act to protect the public interest its actions should be direct and forthright and not camouflaged in administrative devices.[15] He perceives an acute need for a balance of understanding and a tolerance in those activities which must appropriately be shared.

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[14] Robert O. Berdahl, Statewide Coordination of Higher Education (Washington, D.C.: American Council on Education, 1971), p. 5.

> A major implication of the view expressed here is that a state's willingness to recognize the claims of academic freedom and procedural autonomy may be reinforced by the institutions' equal willingness to recognize the state's right to participate in some of the decisions regarding the substantive development of public higher education.[16]
>
> The delineation of which substantive decisions are appropriate for state participation is, then, no minor problem. A state may honor academic freedom, impose few procedural controls, and still threaten the long-range health of its universities and colleges by displacing their aspirations for excellence and substituting its demands for utility.[17]

Thus it may be concluded that the questions and problems related to university-state relations have deep historical roots extending to the fundamental assumptions upon which the institutions and the states operate. The central issue has been and continues to be the determination of the extent to which government may be involved in decisions regarding institutions of higher education without jeopardizing the spirit and mission of the university in a free society.

Status and Powers of Governing Boards

Several studies have been made regarding the status and powers of governing boards of institutions of higher education in the United States.[18] However, a definitive account remains to be written about the decision-making process and power structure in higher education and their relationship to the general public.

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[15] *Ibid.*, p. 12.

[16] *Ibid.*

[17] *Ibid.*, p. 14.

It is difficult to approach the topic of governing boards in higher education without being reminded of the rather unique complexities, energies, myths, and forces which characterize decision-making in that sector of higher education.[19] Such reminders should caution the reader as well as the writer to be wary of the pitfalls of simplification and over-generalization when dealing with complex institutions and problems.

The utilization of governing boards was an established practice among many European universities prior to the founding of institutions of higher learning in the North American colonies. However, among the differences noted about the early colonial colleges was the existence of laymen on their governing boards. Although many of the early colonial institutions of higher learning sought royal sanction, the principal sanction for operation was obtained from the colonial governments, a process which carried over to state legislatures and territorial governments after the achievement of independence. Thus, the involvement of laymen and state government in the institutions of higher education in the United States has been a constant factor in the history of most colleges and universities, especially those dependent upon public support.[20]

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[18] Of existing works the following are recommended and have been used for reference: John J. Corson, Governance of Colleges and Universities (New York: McGraw-Hill Book Company, Inc., 1960); Lyman Glenny, The Autonomy of Public Colleges: Challenge of Coordination (New York: McGraw-Hill Book Company, Inc., 1959); Moos and Rourke, The Campus and the State.

[19] Corson, Governance of Colleges and Universities, p. 11.

The need for state sanction (generally in charter form), however, was apparently never seriously considered by faculty and administrators as an invitation for active state participation in institutional governance. Within the private sector the question of state involvement was clearly resolved in the Dartmouth College Case (1819).[21] The public institutions of higher education have never had a judicial precedent of such power and clarity, but have nonetheless operated throughout the United States on a fundamental principle: the necessity of maintaining a separation between the institutions and the executive and legislative branches of government.[22]

To maintain this separation and remain consistent in principle, special boards were established to govern and administer public colleges and universities. McNeely found these governing boards generally independent from the governmental structure and their membership free from political controls.

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[20] Brubacher and Rudy, Higher Education, pp. 25-39.

[21] The Trustees of Dartmouth College v. Woodward (1819) 4 Wheaton (U.S.) 518.

[22] U.S. Office of Education, Higher Educational Institutions in the Scheme of State Government, by John H. McNeely, Bulletin No. 3 (Washington, D.C.: Government Printing Office, 1939), p. 1.

> The governing boards, in general, were given an independent position within the State governmental structure. Members of the boards serving without compensation were endowed with exclusive jurisdiction over all the internal affairs of the institutions. The primary purpose of this segregation was to take the management of the institutions out of the hands of the changing elective officials of the executive branch of State government, thus freeing them from any possibility of political control or influence.[23]

Although the principle has been generally applied, the manifestations of its application have varied from state to state in form, interpretation, and application.[24] The primary determinant of the degree to which governing boards have been impregnable to political control has been their legal status.[25]

The legal status of governing boards is based upon two factors, the legal origin of the board, and the legal source of its powers. The legal origin of the board is generally a charter, the state constitution, or legislative statute.[26] The legal source of powers may be any of the above and is not necessarily the same as the origin. The key to understanding the sources of origin and powers lies in identification of that body to which the board is ultimately responsible and the body which may enact changes regarding the board.

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[23] Ibid.

[24] For an updated summary of present status, see Chambers, Higher Education in the Fifty States, 1970.

[25] U.S. Office of Education, Higher Educational Institutions in the Scheme of State Government, p. 5.

[26] An additional important factor involving the boards' powers is whether they have been granted corporate status.

A governing board which has as its legal source of power the state constitution is virtually an additional branch of government. As the supreme and organic law of the state, the constitution is superior to all other laws of the state, is mandatory, and is subject to change only by the expressed will of the people.[27] McNeely described these boards as coordinate with other branches of government and not generally susceptible to alterations by either legislative or executive actions.

> In the case of boards deriving their powers from the constitution, they have been made coordinate with the legislative and executive branches of the government. The direct powers conferred upon them by constitutional mandate pertaining to the management of the internal affairs of the institutions are not readily susceptible to amendment or change by legislative enactments. The legislature as a rule does not possess the authority either to limit these powers or to transfer them to officials of the executive branch through consolidation of governmental functions or alteration of State administrative machinery. Since these powers are vested exclusively in the boards by the State Constitution, officials of the executive branch are precluded from exercising them.[28]

Governing boards deriving their legal status and power from statute serve essentially at the will of the state legislature and are dependent upon the legislature for the definition of their powers and responsibilities. Such boards generally have stature, dignity, and often operating autonomy, but are nevertheless potentially subject to legislative involvement up to and including abolishment.[29]

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[27] U. S. Office of Education, Higher Educational Institutions in the Scheme of State Government, p. 6. See also Moos and Rourke, The Campus and the State, p. 22.

[28] U.S. Office of Education, Higher Educational Institutions in the Scheme of State Government, p. 6.

Public institutions of higher education and their governing boards are also subject to a number of restraints. Such restraints are derived principally from the state constitution and generally require the boards as corporate citizens to act within the legal system applicable to all citizens of the state. Additional restraints may result from the relationships among the various branches of state government and the governing boards. For instance, the actions of the boards would fall within the purview of the governor's responsibility to see that all laws of the state are faithfully executed and his general executive authority to transact the business of state government. In a like manner the governor's power to approve or veto bills passed by the legislature, to conduct investigations, to appoint to vacancies, and his ex officio membership may all provide implied or active restraints for the governing boards of public colleges and universities.[30]

The legislature of the state may also offer restraints on the activities of governing boards, particularly in those instances in which the board derives its legal status and powers from the legislature. Among the most powerful and increasingly active areas of restraint by the legislature is the overall responsibility it has for the state's fiscal policy. Some would argue that the impact of the legislature's control of the state's purse is directly proportional to the limitations of total state financial resources. The relevance of this argument would seem to be borne out in an analysis of the role of state legislatures vis-à-vis public institutions of higher education in the depression and immediate post-war periods in the United States.[31]

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[29] Ibid., p. 15.

[30] Ibid., pp. 46-47.

The state legislature or legislative leaders may also be factors in the selection or approval of governing board candidates, in the control of purchasing functions, in the establishment of statewide academic or vocational goals, certification requirements, and standards and practices relating to non-academic staff. In each of these areas, legislative enactments may create a mandate for governing boards to follow or at least significantly limit the alternatives for the board to select from.[32]

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[31] See: Harry K. Allen and Richard G. Axt, State Public Finance and State Institutions of Higher Education in the United States (New York: Columbia University Press, 1952); and U.S. Office of Education, Fiscal Control over State Higher Education, by John H. McNeely, Bulletin No. 8 (Washington, D.C.: Government Printing Office, 1940).

[32] Moos and Rourke, The Campus and the State.

The judicial branch of state government may also serve to create or imply restraints for the governing boards. As the ultimate referee among the branches of government, the judiciary may be called upon to interpret statutes, the state constitution, and administrative precedent as well as settle claims against constitutional corporations.

In summary, regardless of their legal status, governing boards of public institutions of higher education are subject, for the most part, to the general powers and restraints of other branches of state government in the same manner as other units of government.[33] However, within the area of potential power to affect the policy or action of the governing boards, the legal status of the board itself would appear to be the most effective defense against political encroachment. Thus, the board which derives its status from the state constitution and is assigned corporate status is the most impregnable.

Realities of the Relationship

The previous section focused on the general framework within which the relationship between governing boards and the state exist. The operating realities and practices of the relationship also have an impact on the efficiency and quality of the interaction between the two entities.

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[33] U.S. Office of Education, Higher Educational Institutions in the Scheme of State Government, p. 46.

There is a temptation in the analysis of this relationship to be content with the traditional and shopworn simplifications frequently utilized in legislative lobbies, administrative offices, and faculty gatherings to describe and explain the interaction between state government and institutions of higher education. However, an understanding of the assets, liabilities, and inherent problems of the relationship is dependent on attention to the subtle complexities which continually temper the interaction.

The first reality is the recognition that both institutions of state government and higher education are elements of a complex social and economic system which imposes a whole range of influences and conditions over which the institutions have little control and minimum influence.

In a like manner, a single public university may be only one of a large number of public institutions of higher education in a particular state and thus subject to certain statewide or systemic forces upon which it has only limited impact.[34]

In an analysis of the context of the relationship, considerable emphasis must be placed on the fundamental differences between the public mandates for state government and institutions of higher education. Clearly the governing boards of public colleges and universities are most commonly charged with utilizing their resources in such a way as to serve the educational needs of the populace and expand the boundaries of truth and knowledge. On the other hand, the state government is commonly charged with providing services to the full range of human conditions as well as maintaining rationality and order within the state itself.

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[34] This might well be the case of individual institutions in large populous states (California, New York, and Michigan) with numerous institutions and a diversity of missions, mandates, and objectives, but a common source of operating funds.

Thus, it is apparent that within the educational sector of state services there is a dual mandate shared by state officials and the governing boards of individual institutions. Is it not also obvious that this duality in operation could run the spectrum between fierce competition and complementary partnership? The failure to recognize the fundamental differences of mandate and the concurrent duality of responsibility has been and continues to be a source of considerable misunderstanding and wasted energies.

Given these realities it is difficult to understand why the term "autonomy" continues to be used in describing institutions and their status. It would be preferable and more accurate if recognition were more widespread that institutional autonomy in the twentieth century has become a relative concept. The relativity is a function of external conditions, constraints, and associations as well as internal attitudes, experience, and idiosyncrasies.[35] The recognition of this interpretation of institutional status would, no doubt, reduce the general anxiety and place the institutional-state relations in a more realistic context.

An ongoing and mutually productive relationship between institutions of higher education and state government is dependent upon a number of additional factors. There must be effective communication between the two with reasoned articulation of concurring and opposing views. There must be a minimal understanding of the political process and especially an awareness of the role of the legislature in a democratic system of government. Mutual trust can be a critical factor in reaching defensible positions, especially during economic or social crises, whereas distrust harbored by either party can be a constant debilitating factor corroding the whole process of interaction. The sum of these factors constitutes the underlying quality of the relationship and has a major impact on the overall efficiency and effectiveness of the interaction. One of the constant dangers to this balance is that petty controls or political chicanery will sap the viability and spirit from the relationship and lower the quality of decision-making.[36] A recent essay by Samuel B. Gould, then Chancellor of The State University of New York, provides a thoughtful summary of these concepts by arguing that the relationship is a partnership with a shared goal and complementing duties and responsibilities.

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[35] Daniel G. Aldrich Jr., "Maintaining Institutional Identity and Autonomy in Coordinated Systems," in Campus and the Capitol: Higher Education and the State, ed. by John Minter (Boulder, Colo.: Western Interstate Commission for Higher Education, 1966), p. 17.

> Whatever we, as educational leaders, intend to accomplish as our part in assisting the process of progress within our states can be done only with a full realization that government is bound to be involved in our efforts. Our task, therefore, is to develop personal relationships which make it possible for us to make clear to men in government the nature of our enterprise, the role we ourselves play, the portion of our institutional life and development which is not within the baliwick of anyone else to prescribe or control or even touch, and most of all, the heavy responsibility resting upon them as upon us in fulfilling the education of our youth, and indeed, the whole citizenry. It must be made equally clear that we and they have an unusual partnership in all this, the kind of partnership that gives to each side a specific set of assignments to be fulfilled in the interests of expanding and improving higher education.
>
> The first reality in our relationship with state government is the degree of our own faith in the democratic process and our belief in those, regardless of party affiliation, who are elected representatives of the people in promulgating that process.[37]

To assert that public institutions of higher education have an essential relationship with state government is not, however, to be equated with the argument that higher education is merely another agency of the state. The need to comprehend the distinction among agencies and public colleges and universities is a critical one that requires constant reinforcement. Although the major burden for this articulation must by practical necessity rest with the governing board and administrative officers, the other members of the academic community must understand it as well, lest their own words or actions be misconstrued or misrepresented.[38]

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[36] Moos and Rourke, The Campus and the State, pp. 319-323.

[37] Samuel B. Gould, "The University and State Government: Facts and Realities," in Campus and the Capitol: Higher Education and the State, ed. by John Minter (Boulder, Colo.: Western Interstate Commission for Higher Education, 1966), p. 5.

Related directly to this identity problem is the difficulty of establishing and maintaining an awareness of the need for each (state government and public higher education) to retain areas of primary power and concern. Institutional primacy must be maintained in academic functions including the preservation of freedom of thought and expression. In addition institutions of higher education must be free from as many bureaucratic strictures as are feasible to protect their initiative and flexibility.[39]

The state government also has areas of activity and judgment within which it must maintain primacy. It rests with the governor or his designee to determine when a particular situation, on or off the campus, constitutes a threat to the peace and security of the state and its citizens. The legislature has primary powers in deciding the level of taxation and allocation of fiscal resources within the state, including those funds allocated to state colleges and universities.

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[38] Aldrich, "Maintaining Institutional Identity and Autonomy," p. 24.

[39] Gould, "The University and State Government," p. 11.

There are numerous other examples, but the point should be clear that within the complex relations between public colleges and universities and the state government there are clearly areas in which each considers its responsibility, power, expertise, and judgment as necessarily being primary. Thus, a smooth and productive relationship is dependent upon mutual recognition and cooperation within this status.

Reorganization of State Government and Fiscal Dilemmas

As noted earlier, beginning about 1920 most state governments underwent various levels and forms of reorganization. The impetus for reorganization was generally related to changing socio-economic realities and demands for expanded state services. The reorganization commonly resulted in identifiable increases in centralization of power and responsibility in the executive branch of state government. It is not uncommon to find the centralization accompanying the emergence of numerous new agencies and departments, duplication of operation, conflicts of interest, and an extended period of transition as new lines of authority and responsibility were defined.[40]

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[40] The Council of State Governments, Reorganizing State Government (Chicago: The Council of State Governments, 1950), pp. 1-5. For analyses of the impact of state reorganization on higher education see: U.S. Office of

By virtue of their public status and increasing financial dependence, many state colleges and universities were implicated in the reorganization and many saw the changes as an immediate threat to their relative autonomy. There seemed to be little doubt that state government was due for an overhaul, but many officials in higher education had serious doubts about the extent to which their institutions needed to be included.[41] The degree to which these institutions were actually involved was in most cases a function of the legal status of the institution and its governing board.[42]

At about the same time institutions of higher education in the United States were encountering a period of significant growth in scope and magnitude. The demands for public support were legion while competition for public resources was multiplying rapidly. A comprehensive study of the impact of this competition on higher education found that state expenditures for higher education did not increase in relative terms, but in fact lost ground to other state functions.[43] The study found that from 1915 to 1949

Education, Fiscal Control over State Higher Education, pp. 1-46; and Moos and Rourke, The Campus and the State, pp. 52-53.

[41] Moos and Rourke, The Campus and the State, p. 4.

[42] *Supra*, p. 24.

[43] Allen and Axt, State Public Finance and State Institutions of Higher Education, p. 75.

state expenditures specifically for higher education were reduced from about ten percent of all state expenditures to about four percent.[44] Thus public institutions of higher education were caught between rapidly increasing demands for their services and insufficient funds to meet the demands, resulting in substantial institutional adjustments.

Additional accomodations were required as a result of the increased concentration of authority in state executives.[45] Three important areas bear mention. First, increased centralization tended to add more consciousness to the overall process of allocating the state's financial resources, a factor which tended to assist or at least give advantage to the articulate and prepared institutions. Second, the centralization was often accompanied by additional bureaucratic functions, which held the potential of stifling initiative and increasing frustration among parties competing for limited resources. Finally, the shift in the balance of power in state government initiated a transition period in which tension between the executive and legislative branches was often at unhealthy levels, creating spinoff problems for all units attempting to deal with both. Institutions of higher education were not immune to these problems and often among the most vulnerable to them.[46]

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[44] Ibid., p. 60.

[45] Moos and Rourke, The Campus and the State, pp. 64-65.

Following the implementation of these changes three major studies were conducted which sought to analyze the impact of state government reorganization and increasing financial dependence upon state government of public institutions of higher education.[47] The studies were consistent in their findings that state executive and legislative involvement and interest in campus affairs had increased, resulting in a potential threat to the unique mission of the campus. Each found the lowest levels of impact on those institutions whose status and powers were embedded in the state constitutions. The most common areas of increasing involvement were found to be in appropriations, curricula, research, tuition, admissions and legislative riders or conditions.

Finally, each study in a distinct way reflects upon what must be considered the most relevant reality for public institutions of higher education, that ultimately the vitality of such institutions will evaporate unless it is sustained by the support of public will. The most explicit constitutional safeguards are of minimal defense against an aroused public and its representatives.

> A school may have constitutional or statutory immunity, it may be independent of administrative

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[46] *Ibid.*, pp. 48-49.

[47] Allen and Axt, *State Public Finance and State Institutions of Higher Education*; Moos and Rourke, *The Campus and the State*; and U.S. Office of Education, *Fiscal Control over State Higher Education*.

> restraints; but ultimately, as a public institution, it must share in the problems and benefits of a democratic community. What is more, educators and state officials agree that it would be disastrous to remove public higher education entirely from the wellsprings of governmental influence.
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> Carried to extremes, political manipulation can doom a fine university. But politics is more than the sum of influence, harassment, and manipulation--it is the avenue through which a democratic society reaches peaceful decisions.[48]

As long as public colleges and universities remain dependent upon state government for a significant portion of their operating expenses, one may conclude that the social, political, and economic realities of the state will have a noticeable impact on the general status and direction of these institutions.

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[48] Moos and Rourke, The Campus and the State, pp. 227-228.

CHAPTER II

UNIVERSITY INDEPENDENCE 1817-1920

The Catholepistemiad and Its Early Successors

The Legal and spiritual predecessor of The University of Michigan was The Catholepistemiad of University of Michigania, which was created by territorial charter on August 26, 1817.[1] The charter was for the development of an educational system of all levels from primary to university and was not unlike Thomas Jefferson's plan for the State of Virginia.[2]

The wording of the charter and the educational system it described bear the heavy influence of Augustus B. Woodward, who was at the time Chief Justice of the territorial courts. A friend of Thomas Jefferson's and a sometime educational theorist, Woodward's approach was similar to the plans that Jefferson had been advocating.[3] The educational needs of the territory provided an opportunity for Woodward to test some of his theories.

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[1] II Terr. Laws, 1817, 104.

[2] Paul L. Ford, The Writings of Thomas Jefferson (New York: G. P. Putnam's Sons, 1892-99, II, pp. 220-237.

[3] Roy J. Honeywell, The Educational Work of Thomas Jefferson (Cambridge: Harvard University Press, 1931).

> Woodward was a classical scholar, something of a pedant, with a tendency toward extravagant theories, and he saw in the movement toward the provision of educational facilities for the territory an opportunity to put into effect some of his own pet ideas. He had long been engaged upon the philosophical task of dividing human knowledge into categories and published a book on the subject in 1816. The classification of knowledge was also one of Jefferson's hobbies and it may well have been a friendship between the two men based on these ideas that led to Woodward's appointment.[4]

The plan was rapidly made operational in the form of a Lancasterian primary school and classical academy with Father Gabriel Richard and Reverend John Monteith holding virtually all of the faculty chairs.[5]

Father Richard was a French missionary who had arrived in the territory in 1798 and immediately embarked upon the development of an educational enterprise for the frontier community. His liberal spirit and personal commitment were to have a strong influence on the development of the community's early character. Father Richard was joined in some of his endeavors by the arrival of a young Presbyterian, who fresh out of Princeton answered the call to introduce the Gospel to Detroit. Rev. Monteith was to become the first president of The

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[4] Frank Robbins and Wilfred Shaw, "The Early History of the University of Michigan," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958), p. 26.

[5] Claude A. Eggertsen, "The Primary School of Michigania," Michigan Alumnus Quarterly Review, Vol. LV, No. 10, Autumn 1948.

Catholepistemiad.[6] Monteith worked hand in hand with Fr. Richard marshaling community interest in the development of an educational system for Detroit. Once it was created, they were instrumental in breathing life into the new system.

Although the Act of 1817 had made provision for an increase of fifteen percent in territorial taxes, plus the sanctioning of lotteries for the support of the educational program, there is no evidence that either of these methods was employed. Nor does it appear that any of the government land grants were utilized to support the institution from 1817 to 1821.[7]

However, the development and early operation of the University of Michigania is evidence that the spirit of the Ordinance of 1787 was active in the territory.[8]

Judge Woodward's plan survived four years in application before the territorial legislative council produced a revised charter. The charter of 1821 changed the official name of the institution to "The University of Michigan" and placed the responsibility for its operation in a board of twenty-one trustees appointed by the legislature.[9]

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[6] Roscoe O. Bonisteel, John Monteith (Ann Arbor: Michigan Historical Collections, Bulletin No. 15, January 1967).

[7] Richard R. Price, "The Financial Support of the University of Michigan," Harvard Bulletins in Education, No. 8 (Cambridge: Harvard University Press, 1923), pp. 12-16.

[8] " . . . schools and the means of education shall forever be encouraged," Ordinance of 1787, Worthington C. Ford, et al. (eds.), Journals of the Continental Congress, 1774-1789 (Washington, 1933), XXXII, pp. 337-339.

There seems to be some question about the effectiveness of this new board. Farrand suggests that the board concerned itself primarily with the location and sale of the lands granted the territory for educational purposes.[10] Another account alludes to the increasing attenuation of the educational functions of the board.[11] Although this corporate form of the University was retained until the promulgation of the Constitution of 1837, satisfaction with this form was undoubtedly dwindling. Reform was in the wind by the time the Constitutional Convention met in 1835.

The Constitution of 1835 and Subsequent Acts of the Legislature

In preparation for the transition from territorial status to statehood, a Constitutional Convention was called in 1835.[12] The document produced by the Convention contained two specific references to higher education and the State. Article X, section 2 committed the Legislature to the encouragement "by all suitable means the promotion of intellectual, scientific and agricultural improvement." Section 5 of the same article assigned to the Legislature responsibility for the "protection and improvement, or other disposition" of the federal lands set aside for the support of a university in Michigan.

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[9] I Terr. Laws, 1821, p. 879.

[10] Elizabeth M. Farrand, History of the University of Michigan (Ann Arbor: Register Publishing House, 1885), p. 11.

[11] Robbins and Shaw, "Early History," p. 29.

[12] Michigan, Journal of the Constitutional Convention of 1835 (Detroit: Sheldon M'Knight, 1835).

In effect the Constitution of 1835 left the responsibility for the University with the Legislature and thus vulnerable to the changing winds of political activity and sympathy. The full import of this arrangement was not clear until the Legislature adopted the operating guidelines for the University following the achievement of statehood in 1837.

The guidelines enacted by the Legislature on March 18, 1837 were primarily the work of Rev. John D. Pierce and Isaac Crary. Pierce was the newly appointed Superintendent of Public Instruction, a position very similar to that of the Minister of Public Instruction in Prussia.[13]

The legislation, entitled "An Act to provide for the organization and government of The University of Michigan," stated that:

> The object of The University shall be to provide the inhabitants of the state with the means of acquiring a thorough knowledge of the various branches of literature, science and the arts.[14]

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[13] Farrand, History, pp. 15-16.

[14] Michigan, Laws of 1837, section 2, p. 102.

The Board of Regents under the new act were to be twelve in number and appointed by the Governor with the advice and consent of the Senate.[15] In addition, the Governor, Lieutenant-Governor, judges of the Supreme Court, and Chancellor of the State were to serve as ex-officio members of the board.[16] The act established the Regents as the body corporate[17] of The University granting them the power and assigning them the duty of enacting the laws for the "government of the university."[18]

The act was amended at the request of the Regents following their first meeting giving the Regents responsibility for the election of a chancellor, assigning the governor as president of the Board of Regents, and granting authority to the Regents to spend portions of the interest from the university funds for "apparatus, library and cabinet for natural history."[19]

In sum, The University of Michigan of 1837 was by constitutional and statutory provision entwined in the political system of the new state. Its governing board was appointed by the Governor, the Governor was the president of that Board, and the Superintendent of Public Instruction was assigned the responsibility for the lands held by the State for the benefit of the University.[20]

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[15] Ibid., section 3, p. 102.

[16] Ibid., section 4, p. 102.

[17] Ibid., section 6, p. 102.

[18] Ibid., section 7, p. 102.

[19] Ibid., Amendment, p. 102.

By most standards this system was not very successful. The University suffered from a shortage of operating and capital funds. A loan of $100,000 was granted by the Legislature in 1838 temporarily reducing the crisis, but it created legal problems which resulted in delayed fiscal difficulties.[21]

The Legislature was under constant pressure to sell or lease under less than advantageous conditions the lands set aside for support of a university. In 1839 the Legislature succumbed to the pressure, but a strong stand by the Governor backed with a forthright veto prevented the enactment of legislation that would have been financially disastrous for the University.[22]

In addition the University was plagued by internal problems that became external issues. Some faculty members were dissatisfied by what they considered low salaries and a poor system of work-load distribution. When these issues became public knowledge many of the residents of the state openly questioned the dedication and judgment of th faculty.

The discovery of the existence of secret societies

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[20] Farrand, History, p. 23.

[21] Ibid., pp. 126-128.

[22] Ibid., pp. 33-35.

(fraternities) on the campus was also a matter of public discussion and the Regents and Legislature came under fire for their stand prohibiting the existence of such societies. This controversy was disarmed by a faculty decision to allow the colonization of fraternities on the campus.[23]

Generally the first years following the establishment of the University in Ann Arbor (1837) were characterized by insecurity, mutual distrust, and constant distractions. This situation seems to have been compounded by the sanctioned involvement of the Legislature in University affairs.

Farrand judged these as critical years for the University as it attempted to remain financially stable without substantial State support, ward off external influence, and to resolve serious internal difficulties.

> Despite the traditions established as far back as 1817 and reenacted in the new state constitution, emphasizing the character of the new University as a state institution, the public responsibility was not always recognized. The state, aside from its first loan to the institution, recognized no financial obligation toward it, while strong church bodies endeavored, although in vain, to control its policies. The lack of sufficient funds, which kept faculty salaries at a starvation point, as well as intra-faculty rivalries, resulted in a long series of dissensions which disclosed very apparent weaknesses . . . .[24]

Dissatisfaction with the status of the University was apparently widespread, although probably for divergent reasons. Stason asserts that the difficulties were functionally based.[25] Other contributing factors may have been financial insecurity and the difficulties accompanying the development of the institution.

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[23] Ibid., p. 76.

[24] Ibid., p. 37.

In response to these problems, the Legislature in 1840 appointed a select committee to " . . . inquire into the present condition of the University of Michigan, and ascertain if any changes are necessary to insure its full and permanent success."[26] The committee filed its report within a month and in it criticized the existing constitutional arrangements for the University.[27] It was in fact an indictment of direct legislative involvement in the management of university affairs and a call for a more independent governing board for the University. The Legislature failed to heed the warnings of its own committee and accomplished nothing in the way of reform. The status of the University and the general level of dissatisfaction remained relatively stable until the Constitutional Convention of 1850.

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[25] E. Blythe Stason, "The Constitutional Status of the University of Michigan," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 Vols.; Ann Arbor: The University of Michigan, 1941-1958), p. 119.

[26] Michigan, Journal of the House of Representatives (Detroit: George Dawson, 1840), p. 186.

[27] Michigan, 2 House Doc., 1840. Nos. 51 and 52.

The Constitution of 1850

The delegates who assembled for the Constitutional Convention of 1850 are said to have reflected the general popularity of the tenets of Jacksonian democracy in the State. Indeed, the decisions of the convention demonstrate an increased confidence in the judgment of the electorate and the desire to make as much of the state government as possible directly responsible to the people of the State. The new constitution drawn by the convention and passed by a substantial majority in the fall elections placed many restrictions on the powers of the Legislature and Governor and provided that all state officers including judges and the Board of Regents of the University were to be elected directly by the people.[28]

The delegates were sensitive to the public dissatisfaction with The University of Michigan and the Standing Committee on Education made the revision of University status a high priority for its deliberations.[29]

The committee of nine members was chaired by a young lawyer from Macomb County (D. C. Walker) and included among its members three farmers, three millers, one physician, and a minister who had served as Michigan's first Superintendent of Public Instruction (Rev. J. D. Pierce).[30] The report of the committee to the convention called for significant changes in the status of the University.

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[28] F. Clever Bald, Michigan in Four Centuries (New York: Harper & Brothers, 1950), p. 255.

[29] Michigan, Report of the Proceedings and Debates of the Convention to Revise the Constitution of the State of Michigan, 1850 (Lansing: R. W. Ingals, State Printer, 1850).

The debates in the convention give evidence of a consensus regarding the need for change in the status of the University, a general dissatisfaction with its progress since 1837, and a deeprooted commitment to provide for a strong system of education for the State.[31] Led by Mr. Bagg (Wayne County) and Mr. Whipple (Berrian County) the debates regarding the University revolved primarily around the power and method of selection of the regents.

The question of how the regents should be selected was a pivotal one and had clear implications for the status, role, and power of the board. Initially the convention, by a very close margin (30-28), voted to have the regents appointed by joint action of both houses of the legislature. The sponsor of this approach indicated his intent was to remove the University from political influence.

> My object is this, to place the University beyond all political influence. There is no gentleman, I suppose, in this Convention, disposed to put this institution within the grasp of either political party of the State, or to bring it under unproper influences.[32]

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[30] *Ibid*.

[31] *Ibid*., pp. 782-785, 801-804.

[32] *Ibid*., p. 782 (Mr. Whipple).

Although there was apparent and expressed agreement with this provision, some delegates and especially J. H. Bagg of Wayne County were not satisfied with the implications of its practical application. Thus on the following day Bagg offered a new proposal providing for the direct election of the regents of the University. In summarizing Bagg's defense of the proposal, the journalist reported that he called upon the democratic spirit of his colleagues to allow the direct election of all officers of state government, including the regents. He urged their support of the substitute and was confident of its success.

> Mr. Bagg hoped the substitute just offered by himself would prevail. His democratic feelings would not permit him to vote for the section as it stood. Every officer to be elected under this new constitution, is to be elected by the people direct. He could not consent that this only blot and blemish savoring of federalism, should be permitted to remain. . . . We were in a progressive age--in a progressive democratic age. . . . It illy becomes this Convention, sitting here in the place of the people themselves, to debar them from voting for every officer to be elected under the government direct. He did not distrust the people. He would now appeal to the democratic portion of this Convention to sustain the substitute. He had no fear of the result.[33]

Mr. Bagg's appeal brought open support and the result was as he had predicted. Mr. Clark favored Bagg's proposal and spoke eloquently of the need to insure that the University would remain outside the main political arena of the State.

> Mr. Clark . . . I am satisfied that our University should not be placed upon the same level with political

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[33] Ibid., p. 802.

> institutions. We should look to a higher source; select the best men we can find, so that they may sustain the institution.
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> The University can only be sustained by the weight of moral influence which you bring to bear upon it; if you sink it down to the political arena, it must inevitably fail. As this is our only institution of the kind, I hope the Convention will use every effort to place it on a proper footing, that we may have the free benefits that were designed to flow from it, . . .[34]

Bagg's proposal was adopted by the delegates by a margin of 44 to 26 and it remained only for the people to agree with the principle of direct election of the regents, which was accomplished in the subsequent referendum.

Other educational provisions in the proposed constitution did not arouse as much debate in the convention but have nonetheless proven to be significant. Article XIII section 8 assigned the regents the responsibility of electing the president of the University, who would be an ex officio (but non voting) member of the board. The section also established the president as the chief executive officer of the University with the additional duty of presiding at the meetings of the board. The board was given the responsibility for the "general supervision" of the University and the power over its financial resources.

> The regents of the University shall, at their first annual meeting, or as soon thereafter as may be, elect a president of the University, who shall be ex officio a member of their board, with the privilege of speaking, but not of voting. He shall preside at the meetings of the regents, and be the principal executive officer of the University. The board of regents shall have the general supervision of the University, and the direction

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[34] Ibid., p. 803.

> and control of all expenditures from the University interest fund.[35]

By the provisions of this section the potential for the future strength and success of the University may have been considerably increased. Combined with the direct election of the regents these sections made the University theoretically independent of political and legislative control, and directly responsible to the people of the State.

The portions of the section which gave the regents "general supervision of the University" and the "direction and control of all expenditures from the University interest fund" have been crucial factors in the history of the University since 1850. It is perhaps unjustifiable to draw many conclusions about the intent of this section, due to the paucity of explanatory comment or debate, but the effect is more easily analyzed and the evidence suggests that the University gained a substantial amount of autonomy as a result of these provisions and subsequent adjudication based upon them.

Dunbar attaches such importance to these provisions that he classifies them as the most important policy decisions in the history of higher education in Michigan.[36]

Although this new arrangement for the University was different than most state universities of the time, it was not totally unique and probably should not be judged on the basis of its novel aspects. What is relevant is that following 1850 The University of Michigan flourished and by the turn of the century had achieved preeminent status among state universities.[37] This is not to suggest a cause and effect relationship, but rather to recall that under the system operative from 1837 to 1850 the University was struggling to survive as opposed to realizing its potential. It is fair to conclude that the provisions for the University in the Constitution of 1850 afforded a measure of stability, identity, and independence which fostered or at least allowed for the development of strong institutional leadership and a high caliber of scholarship.

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[35] Michigan, Constitution of 1850, Article XIII, section 8.

[36] Willis F. Dunbar, "Higher Education in Michigan's Constitutions," Michigan Quarterly Review, I, No. 3, July 25, Summer 1962, p. 148.

It is also of some significance that subsequent constitutional conventions producing new constitutions in 1908 and 1963 have not substantially altered the constitutional status of the University as it was described in the Constitution of 1850. In fact the status of The University of Michigan has been the basic model from which the status for Michigan State, Wayne State and other state-assisted universities have been forged.

These constitutional arrangements have delayed, if not inhibited indefinitely, the development of a centralized or co-ordinated system of higher education for the State of

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[37] Brubacher and Rudy, Higher Education in Transition, pp. 156-157.

Michigan.[38] The problems related to the lack of a co-ordinated system in Michigan are the subject of continuing research and represent an area of vital importance for the future of educational opportunities in the State.

Early Forms of Financial Support and The Mill Tax Act of 1867

The Founders of The University of Michigan and the framers of Michigan's early constitutions made little reference to the financial support of the University, for that was thought to be cared for in perpetuity.[39] Their confidence was based on a series of federal acts providing land for the support of education in the territories, and the knowledge that the support was to be continued as a condition of statehood.

This series began with the Ordinance of 1785 with its provision for public schools in each township.[40] In practice and precedent this was an important act, prompting one historian to note as significant the identification of an obligation of the central government to support education within the territory.

> The significance of this early provision can scarcely be over-estimated. It gives evidence of a recognition by the central government of its obligation and duty to provide at government expense for education within the Northwest Territory--this in a day when public schools

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[38] M. M. Chambers, Voluntary Statewide Co-ordination (Ann Arbor: The University of Michigan).

[39] Price, "Financial Support," p. 19.

[40] Ford, Journals, XXVIII, 375-378.

> were almost an unknown phenomenon, even in the states already established.[41]

The second in the series of acts was the Ordinance of 1787 which provided for the perpetual encouragement of "schools and the means of education."[42] A supplement to that Ordinance dated July 23, 1787 contained a provision for setting aside federal land to be used by state legislatures in support of universities.

> [Not more than two complete townships] shall be given perpetually for the purpose of a university, to be laid off by the purchaser or purchasers as near the center as may be, so that the same shall be good land, to be applied to the intended object by the legislature of the state.[43]

The combination of these measures firmly implanted the necessity of planning for education in the future development of the territories and anticipated states. They also provided a potential source of revenue to be derived through the sale or lease of the prescribed lands.

This land bank for Michigan was supplemented by the Congressional Act of May 26, 1826 which stated:

> [The Secretary of the Treasury is hereby authorized] to set apart and reserve from sale of the public lands with the Territory of Michigan to which the Indian title has been extinguished a quantity of land not exceeding two entire townships for the use and support of a university.[44]

Upon the achievement of statehood these lands became the responsibility of the State Legislature, which authorized the sale of a portion of the lands and established a University interest fund.[45] The interest funds with fees and gifts were the primary sources of financial support for the University until 1867.[46]

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[41] Stason, "Constitutional Status," pp. 116-117.

[42] Ford, Journals, XXXII, 337-339.

[43] Ibid.

[44] 4 U.S. Stat. L. 180.

There have been those who have speculated that the financial difficulties of the University during the past century could have been diminished, if not prevented, by better management of the original land grants;[47] however, other observers suggest that in comparison to the manner in which other states utilized their land grants Michigan suffered mildly.[48]

In 1867 The University of Michigan sought relief from the Legislature primarily due to the fact that university expenses were rapidly increasing and the income from the interest fund was stabilizing.[49] The Legislature responded with a tax act which allocated to the University one-twentieth of a mill on the dollar on all taxable property of the state.[50] Although there were some complications in the immediate implementation of the act, the University did gain substantial financial assistance from this measure. At this time the University also began to receive capital grants for the expansion of the physical plant and the purchase of equipment.[51]

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[45] Michigan, Laws of 1837, p. 209.

[46] Stason, "Constitutional Status," p. 117.

[47] Farrand, History, p. 25.

[48] Price, "Financial Support," p. 31.

[49] Ibid., p. 34.

[50] Michigan, Laws, 1867, No. 59. A listing of subsequent revisions may be found in William B. Cudlip, The University of Michigan: Its Legal Profile (Published under the auspices of the University of Michigan Law School, 1969), pp. 9-10.

The impact of the mill tax on the financial history of the University from 1867 to its repeal in 1935 is perhaps inestimable, but it is apparent that the influence was significant. As a precedent it further established the faith in the system of an independent elected board of regents. It also increased the commitment of the State in fulfilling its responsibility for providing the support for a state university. Furthermore the mill tax support had the effect of extending the autonomy of the University and provided financial security which had great implications for the planned growth and development of its physical and human resources.

Among the conclusions reached by Price in his study published in 1923 was that the mill tax system was far more advantageous to universities than annual or biennial appropriations systems.

> Without any doubt, experience has shown that the best form of state tax is a mill tax, which may be counted on from year to year and over a long period of years, and which may be expected to increase as the state assessed valuation advances. The advantage of this system over a system of annual or biennial appropriations is obvious. Especially is this true when the mill tax may be supplemented from time to time, as the need arises, by special

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[51] Price, "Financial Support," pp. 30-40.

> appropriations for buildings and other emergency purposes.[52]

When recognition is gained regarding the special advantages of the mill tax system and the remarkable advances made by The University of Michigan while under mill tax support, it is not difficult to understand why the Regents and other University officials were greatly distressed when the Legislature began discussions about alternate plans of supporting the University.

In sum, the financial history of The University of Michigan is not as had been predicted by the founders and territorial lawmakers. The original land grants and funds derived therefrom have not supplied enough revenue to support the needs of a growing university. Alternate methods of financing have been tried and found wanting. The existing system of direct legislative appropriation, which began in 1947, is also not satisfying all parties. The search continues for a satisfactory means of allaying the State's share of University operating expenses.

The University in the Courts

Throughout the history of The University of Michigan, court decisions and judicial opinions have had a crucial role. The importance of the legal history is most easily explained in four arees. The decisions and opinions have provided interpretations of the various constitutional questions regarding the status of the University and the Regents. In a related manner, they have assisted in defining the mutual responsibilities incurred by the University and the State in the functioning of a state university.

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[52] *Ibid.*, p. 55.

The decisions and opinions have to a large extent protected the University from statutory and administrative encroachment on its relative autonomy. Finally, they have provided precedent for both the State and the University to use as a guide in pursuit of the delicate balance required to insure the continuing health and development of an institution of higher education.

An early, but critical legal question was resolved in the case of The Regents of The University of Michigan v. The Board of Education of the City of Detroit.[53] At issue was whether there was any continuity between the corporate body of 1821 and that of 1837 both of which held the title of "The University of Michigan," the former located in Detroit and the latter in Ann Arbor. In answering in the affirmative the court held that the University in Ann Arbor was the legal successor of the institution incorporated in 1821 and thus 1817 as well. Therefore the Regents were entitled to the benefits of the earlier land grants and a continuation of the public trust for its chartered purpose.

Although the Constitution of 1850 had established an independent corporation, free (at least theoretically) from political control, it was not five years before the Legislature passed a law requiring the Regents to appoint a professor of homeopathy in the Department of Medicine.[54]

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[53] 4 Mich. 213, 221-29, (1856).

This law set off a series of court battles brought by and against the Regents in which the central question was whether the Legislature retained the power to dictate by statute to the Regents of the University.[55] In Sterling v. The Regents of The University of Michigan[56] the court was unanimous in its decision that the Legislature had no authority to encroach upon the powers that were constitutionally assigned to the Regents.

> Obviously, it was not the intention of the framers of the Constitution to take away from the people the government of this institution. On the contrary, they designed to, and did, provide for its management and control of a body of eight men elected by the people at large. . . . It is obvious to every intelligent and reflecting mind that such an institution would be safer and more certain of more permanent success in the control of such a body than in that of the legislature, composed of 132 members, elected every two years, many of whom would, of necessity know little of its needs, and would have little or no time to intelligently investigate and determine the policy essential for success of a great university.[57]

Cudlip in his review of the Sterling case indicates that the language of the decision is frequently used to assert that the Board of Regents having derived its power from the same constitution as the three principal branches of government, is a fourth co-ordinate branch of the government.[58] Regardless of the degree of significance attached to this argument, the Sterling case is a pivotal case for the relative autonomy of the Board of Regents.

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[54] Cudlip, The University, Chap. II, pp. 23-52.

[55] 4 Mich 98, 99-100, 101-06, (1856); 17 Mich 161, 165-75; 18 Mich 469, 482-83, (1869); 30 Mich 473, (1874).

[56] 110 Mich 369, 370-73, 374-76, 377-78, 379-84; 68 N.W. 253, (1896).

[57] Ibid.

Since the Board of Regents acts in the public trust and the University clearly exists within a state ruled by law, it follows that there must be some limitations to the independence of the Regents. Several cases have dealt with the question of the limits of the regental authority,[59] however, each of these cases has been decided on the limited question of the case and the court has yet to define the limits systematically. Thus cases in this area continue to be brought to court with the most recent being The Regents of The University of Michigan et al. v. The State of Michigan,[60] in which the central question is what powers the Legislature has to establish conditions to the appropriations acts for the University.

There are justifiable generalizations to be drawn from these aspects of the legal history of the University. In general it would appear that the courts have been consistently sympathetic to the interpretations espoused by the University. Also, the general supervision clause of the Constitution has been consistently interpreted to grant the Board of Regents complete control and authority over all internal affairs of the University. Finally, appropriations to the University by the Legislature become the property of the University when the acts take effect and may not be altered, abridged or controlled by any state official. Conditions attached to appropriations acts remain a question of litigation, but the courts seem disinclined to accept as constitutional those conditions which infringe upon the discretion and power of the Regents over internal policy and operation.[61]

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[58] Cudlip, The University, p. 25.

[59] 97 Mich. 264, 247-52, 252-53, 254-55; 56 N.W. 605, (1893); 167 Mich. 444, 445-52; 132 N.W. 1037, (1911); 147 N.W. 529, (1914); 180 Mich. 349, 350-61, (1914).

[60] Case 7659-C in Circuit Court of Ingham County, Michigan.

Tentative Conclusions

Some tentative assessments are justified by the historical evidence in this chapter. First, the evidence suggests that the reforms in the Constitution of 1850 relating to The University of Michigan have been important factors in the growth and development of a leading state university. A testament to the suitability of the reforms of 1850 is the fact that their substance and spirit remain active some 120 years later. In fact, they have been borrowed by other institutions both in and out of Michigan. It may be argued that even an ideal organizational structure is both useless and ineffective without understanding and dedicated participants, but such arguments do not detract from the significance of the foresight and confidence embodied in the Constitution of 1850 and the fact that the plan for the governance and support for the University contained therein was workable.

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[61] For further discussion of these general areas see Cudlip, The University, Chap. III, pp. 52-125.

The degree to which the University is or has been relatively autonomous is a complex question with legal, political, economic, and academic ramifications. The evidence in this chapter suggests that the financial independence and stability based on the foundation of federal land grants and state property mill tax revenues were important factors in the ability of the University to maintain its relative position of autonomy through 1920. These financial factors may also have been crucial in the development of Michigan's leadership status among state universities.

CHAPTER III

THE UNIVERSITY AND THE LEGISLATURE IN TRANSITION

Signals of Revision and Change

On July 1, 1920, Marion LeRoy Burton was inaugurated as the fifth President of The University of Michigan succeeding the popular and respected Harry B. Hutchins.[1] The change in leadership marks the beginning of a new era for The University of Michigan. For nearly three decades the relationship between the University and the State Legislatures was characterized by conflict and change, culminating in an open schism in 1949.

The period preceeding 1920, in contrast, had been a relatively simple one for the University. The major difficulties had been caused by the effects of World War I on state and national budgets, but the repercussions for the University were minimal. State government in Michigan was not a complicated process, but rather a fairly routine biennial examination and support of the institutions of the State (mental hospitals, prisons, agricultural and mining colleges and the University).[2] An economic boom and the development of highway and social services were just beginning to stir the patterns of the State's government in 1920. Perhaps the situation for the University at the time is best illustrated in the telegram sent from President Hutchins to Regent Walter H. Sawyer in 1919: "Senate has passed and given immediate effect to University bills without a dissenting vote."[3]

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[1] Joseph Drake Sr., "The Administration of Harry Burns Hutchins," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958).

The telegram reflects the general willingness of the State Legislature to support the University at the level requested by the University which had been the general pattern since 1873.[4] Hutchins had been a stabilizing president, evoking trust on and off the campus, and his limited contacts with the Legislature were generally fruitful in response to his unquestioned integrity and unusual candor.[5] The relations with the Legislature in the first two decades of the twentieth century appear to have been relatively uncomplicated, cordial, and complementary. The University would present its capital needs and any requests for increases in the mill tax rate to the biennial legislative sessions; the President and a trusted adviser or two would meet with committee chairmen; and the Legislature would approve the requests. Governors were neither prone to disagree with such legislative action, nor was the executive branch very much involved in the minimal budget analysis that occurred. This had been the general pattern of University-Legislative relations since the Legislature had enacted the mill tax law in 1867.[6] The pattern changed rapidly and dramatically as Dr. Burton assumed the helm at the University and the State Legislature faced increased public demands for services.

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[2] Willis F. Dunbar, Michigan: A History of the Wolverine State (Grand Rapids, Mich.: William B. Eerdmans Publishing Company, 1970), p. 632.

[3] Telegram, Harry B. Hutchins to Dr. Walter H. Sawyer, April 15, 1919, Sawyer Papers, Box 13, Michigan Historical Collections, University of Michigan (hereafter cited MHC).

[4] The University had accumulated some deficits near the end of the war, but the Legislature in 1919 provided funds over and above the mill tax income to erase the deficits and for capital improvements delayed during the war.

[5] Drake, "Hutchins," p. 78.

One of the first signs of change had occurred in the summer of 1919 as the search for a successor for Hutchins was being conducted by the Regents. Apparently word had leaked regarding the unsuccessful attempts to entice a very attractive candidate (reported to be the son of a former University of Michigan President, James Angell then at the University of Chicago, later the President of Yale). The Detroit News in an editorial entitled, "What's Wrong at Ann Arbor," blasted the Regents for their failure to reach unanimity on a candidate and thus having lost the "full confidence" of those citizens who had followed

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[6] Shirley W. Smith, "The Financial Support of the University," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958), pp. 267-69.

University affairs for the previous decades.[7]

The criticism of the Regents later subsided with the acclaim which accompanied the selection of the noted orator, educational leader, and budding politician from the University of Minnesota. The fact that the process of selecting a new president, so clearly the sole prerogative of the Regents, was being argued in the public press suggests an awakening of public interest and concern which would have both favorable and detrimental effects in the years that followed.

Another signal of change was apparent within the first year of Burton's presidency. One of his early executive decisions was to request a comprehensive study of the needs of the University. The culmination of the study was the adoption by the Regents of a planned expansion and improvement program that would cost in excess of $19 million. Realization of such a program required unprecedented support from the Legislature, new and greatly expanded sources of private giving, and perhaps most critical, leadership that was at once inspiring, convincing, honest, and spell-binding. Burton convinced the Regents that he was prepared to meet these challenges and embarked upon a campaign to convince other constituencies of the need of their active involvement.[8] Burton's first annual report to the Regents provides a detailed account of the process and substance of this campaign.[9]

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[7] The Detroit News, August 25, 1919, p. 2.

[8] Apparently Burton had cause for confidence. Alex Groesbeck, himself a three term governor of Michigan is

Of primary interest to the present study was the institution of Burton's "Legislative Program" and its implications for future relations between the President and Regents of the University and the Legislature.[10] In brief, the "program" had two specific goals: to raise $8,690,000 in capital funds for buildings and equipment; and to increase the mill tax from 3/8 to 5/8 of a mill providing an anticipated $3,125,000 in operating funds (an increase of $1,687,500). After recovering from the initial shock, the Legislature, with the Governor's approval, appropriated $5,100,000 in capital funds and raised the mill tax to 6/10 of a mill. The campaign with the Legislature had been extensive, utilizing written documents, campus visits by the legislators, public addresses by University personnel, and a deliberate effort to attract favorable press coverage. The response of the Legislature was not total acceptance, but Burton described it as generally satisfying in view of the condition of the State treasury.[11]

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reported to have called Burton "the greatest salesman that ever came to Michigan." Frank Woodford, Alexander G. Groesbeck (Detroit: Wayne State University Press, 1962), p. vii.

[9] University of Michigan, President's Report 1920-21.

[10] A full description of the Legislative Program is contained in ibid., pp. 13-32.

[11] Ibid., p. 20.

While in comparison to previous requests to the Legislature by the University the Burton totals were staggering, he and other University officials were to a great degree successful in convincing the Legislature of the need for a revitalized physical plant in Ann Arbor.[12]

Thus it may be said that ground was broken in more than one way in 1921, for it was in many respects the beginning of a new era for The University of Michigan. Utilizing the capital funds from the Legislature and gifts from private donors, the campus was transformed in the next decade with the addition of a dental building, a high school, the Lawyer's Club, Clements Library, the Hospital, a field house, Angell Hall, and the East Engineering Building.[13] The approach taken by the Burton administration in presenting its requests to the Legislature represented a significant increase in effort and involvement in the request process as well as a substantial increase in requested funds. Furthermore, the forceful and dynamic leadership provided by the new President may have signaled the turning point in the gradual development of a more active and specialized administrative staff and the equally gradual withdrawal of the Regents from much of the day to day activities of university administration.

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[12] A description of projects begun and completed during the Burton presidency is contained in Frank E. Robbins, "The Administration of Marion LeRoy Burton," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958), pp. 81-87.

[13] *Ibid.*, p. 83.

The State

In addition to the changes occurring at the University, there were fundamental alterations in process in the State of Michigan in the early nineteen twenties, not the least of which were occurring at the State capitol.

Although previous reform movements in Michigan had achieved some success under Governors Chase S. Osborn (1911-1912) and Woodbridge N. Ferris (1913-1916), there had been a failure to make substantial inroads into the operation of State government, notably in the executive branch.[14] The problems of the executive branch became a key issue in the gubernatorial campaign of 1920 when both candidates, Woodbridge N. Ferris and Alex J. Groesbeck, advocated a strengthened and more efficient central authority. The difference in their two positions was in the advocacy of a pluralistic executive by Groesbeck and the singular executive model by Ferris.[15]

Groesbeck won the election of 1920, returning the Republican Party to the dominant position it had enjoyed in the State prior to the limited success of the progressives. Groesbeck consolidated his personal power within the party and as a result effectively controlled the party apparatus for the next six years.

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[14] Dunbar, Michigan, pp. 538-543.

[15] George C. S. Benson and Edward H. Litchfield, The State Administrative Board in Michigan (Ann Arbor: Bureau of Government, University of Michigan, University of Michigan Press, 1938), pp. 16-17.

One of Groesbeck's first acts as Governor was to propose the creation of a State Administrative Board,[16] which was promptly adopted by the Legislature. The SAB with membership of the principal elected officials of the State, performed three major functions: (1) it formulated a budget (the first in the State's history) to guide the Legislature in the appropriations deliberations; (2) it established and implemented a central purchasing system; (3) it put into effect a uniform accounting system for all State agencies.[17]

Groesbeck is also credited with reducing the number of state agencies, administering the first highway program in Michigan, and fostering reforms resulting in much greater efficiency in State government.[18] As evidence of the strength of Groesbeck's leadership and dominance of the party in the politics of the State, one has only to view the results of the election of 1924, in which Groesbeck won reelection and the Republicans captured virtually every seat in both houses of the Legislature.[19]

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[16] Henceforth also referred to as SAB.

[17] Dunbar, Michigan, p. 545.

[18] Ibid.

[19] Ibid.

Although the strong leadership provided by Groesbeck was not replicated by his immediate successors, his three terms in office established new standards of operation and currents of change that were to continue to influence the administration of State government in Michigan for many years after his departure from the statehouse.[20] Most relevant to this study were the impact of the entrance of the executive branch into the appropriations process of the State, the introduction of a proposed State budget, and the emergence of the SAB as a watchdog over the allocation and expenditure of State funds. All had an immediate and continuing effect on the relationship between The University of Michigan and the Legislature.

President Burton's Legislative Programs

The "twenties" in the United States were a period of great growth, involvement, and confidence. In many respects higher education in the United States during the decade mirrored the characteristics of the society it served. Viewing the state universities with a critical eye, Foerster characterized the institutions as concerned with efficiency, production, and solving problems by democratic means. He argued that these characteristics were present in such frequency and intensity that they constituted an institutional pattern which remained intact in the late nineteen thirties.

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[20] Benson and Litchfield, The State Administrative Board, p. 38.

> Let us remember that the idea of the American state university was worked out within the span of a single lifetime. It was worked out in accordance with the supposed needs of the citizens of a democracy in a time of eager industrial expansion. It embraced the object of education for efficiency, and provided for an astonishing variety of types of power and service. It was the educational expression of an acquisitive society keen in arts and sciences, of the production of things, willing to leave to the future the problems of the distribution of things and the development of human values. It was the educational expression, also of a people confident of the progress of its institutions and imbued with the notion that the remedy for the evils of democracy was always more democracy. Whatever the differences between universities of the various states and of successive decades, one pattern dominated throughout, a pattern sharply enough defined and firmly enough fixed to survive the three crises that came in the twentieth century: the crisis of a great war, the crisis of great prosperity, and the crisis of a great depression. Down to the present time this pattern has not been seriously questioned.[21]

If the pattern does apply to The University of Michigan, the application cannot be total, for during the period in question significant changes took place at the University and the possibility that the basic institutional pattern had been altered must at least be considered seriously.

For instance, it might be asserted that the increases in student attendance in the twenties[22] and the physical expansion of the decade altered the character of the institution. The degree of change and long-range effects were and continue to be matters of speculation.

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[21] Norman Foerster, The American State University: Its Relation to Democracy (Chapel Hill: The University of North Carolina Press, 1937), p. 157.

[22] The following attendance figures for full time students were reported by the University in the given years: 1919-20 (9,401), 1929-30 (15,154). For further comparison the figures a decade later were 1939-40 (19,596).

In addition to growth and development, the University was affected by a series of problems and challenges, many of which had a direct bearing on the relationship between the University and the State, especially the Regents and the Legislature.

There had been some concern at the University about the effects of Governor Groesbeck's executive reorganization, but none were immediately apparent. Then in March of 1921 the first ominous sign appeared and the timing could not have been worse for the University. After launching his auspicious campus plan, President Burton was felled by a serious heart condition and his activities were very much curtailed during the winter and early spring of 1921. The heart condition remained a concern and threat to Burton's continued involvement in the University's leadership until his premature death in February 1925.[23]

In Burton's absence the Regents and members of the administrative staff were carrying forth his program[24] when the first signal of difficulty appeared in March of 1921. Under the signature of the Secretary of the SAB the

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[23] Drake, "Hutchins," pp. 77-80.

[24] Letter, James O. Murfin to Walter H. Sawyer, March 11, 1921, Sawyer Papers, Box 13, MHC. The letter also reveals Murfin's strong opinion that President-Emeritus Hutchins ought to be involved in the interim arrangements, especially in relations with the Legislature.

University received notice that it was not to contract for architectural services without the expressed approval of the SAB.

> Acting under the authority of a resolution adopted by the State Administrative Board today you are hereby notified to not enter into agreement or contract for architectural services. The law under which the Administrative Board is operating provides that the Administrative Board shall provide for all architectural services desired by any state institution or department.
>
> If in the future you are in need of any services along this line you will please communicate with this Board.[25]

The following day Shirley W. Smith, Secretary of the University, forwarded a copy of the Perry letter to each of the Regents stating that he thought it was a direct challenge to the power of the Board of Regents to control University affairs.[26] Although the particular question of the use of architectural services was later settled to the satisfaction of the University,[27] it was nonetheless the initiation of a succession of challenges and threats to a traditional definition of the power of the Board of Regents. Burton's illness and the subsequent limiting of his energies and services were complicating rather than contributing factors.[28]

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[25] Letter, Fred B. Perry to University of Michigan, March 11, 1921, Sawyer Papers, Box 13, MHC.

[26] Letter, Shirley W. Smith to Regents, March 12, 1921, Sawyer Papers, Box 13, MHC.

[27] State Board of Agriculture v. Auditor General 226 Mich. 417, 418-36; 197 N.W. 160 (1924).

[28] Burton himself underscores this problem in a letter to the Regents: "I feel that it is highly important

As noted above,[29] Burton was satisfied with the response of the Legislature of 1921 to University requests, although the appropriations act contained a clause which represented an additional challenge to the Regents and the University. The clause reads as follows:

> Section 2. None of the said sums shall be available except upon the order of the State Administrative Board, who shall determine the purposes which and the times when, the amounts thereof which, the condition of the general fund of the state will warrant making withdrawal therefrom to meet the appropriations herein authorized . . . [30]

Regent James O. Murfin, a lawyer from Detroit, had been concerned about this and other clauses as the proposed appropriations bill was considered by the Legislature. In an exchange of letters with President Burton, Murfin had indicated his willingness to go to Lansing and lobby for the removal of the clauses.[31] Burton, however, requested that Murfin not become directly involved as he thought he had eliminated the problem in a discussion with the Attorney General. He added in his last letter of the exchange: "I assume that nothing more need be said at this time. I feel,

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that just as many members of the Board of Regents shall be at Lansing when these hearings occur as is possible. Various questions may be raised which only the Regents can answer. I feel the need of your support and direction at this critical time." Burton to Regents, April 7, 1921, Sawyer Papers, Box 13, MHC.

[29] Supra, p. 65.

[30] Public Acts of Michigan, 1921, No. 351, Section 2.

[31] Letters, Murfin to Burton, April 16, 1921; Murfin to Burton, April 18, 1921; Burton to Murfin, April 21, 1921, Burton Papers, Box 3, MHC.

in view of the circumstances, that we have every reason to feel grateful for what the Legislature is doing."[32] Burton does call attention to the clause enacted as section 2 in his President's Report 1920-21, but provides no interpretation of its presence or significance.[33]

There is cause to speculate that in 1921 President Burton was so anxious to gain legislative approval of his requests for capital funds that he was prepared to sacrifice or at least jeopardize a portion of the Regents' control over University funds. It is possible that Burton's self-confidence was such that he foresaw no danger in this type of legislative bargaining, feeling that any potential threat by the application of such clauses could be forestalled by personal statesmanship. The absence of any different stand by the Regents suggests that they may have been equally confident of Burton's abilities and thus willing to accede to his general game plan.[34]

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[32] Burton to Murfin, April 21, 1921, Burton Papers, Box 3, MHC.

[33] University of Michigan President's Report 1920-21, p. 21. Also called attention to clause in Regents' meeting of December 8, 1921. University of Michigan, Proceedings of the Board of Regents, Vol. 1920-23, p. 326.

[34] Regent Murfin, however, continued to be concerned and it would appear as though Regent Clements shared his concerns. Clements requested that a brief on the constitutional powers of the Regents be prepared. Murfin did the research and concluded that the Regents were free from interference from any source by virtue of their constitutional powers and the problem with the SAB was no exception. A copy of the brief and a covering letter are found in Murfin's letter to Walter H. Sawyer, March 17, 1921, Sawyer Papers, Box 13, MHC.

The activities related to the "Legislative Program" of 1921 had been the most extensive and coordinated in the University's history, but they were paled by the full orchestration accompanying the "Legislative Program" of 1923.[35] Preparations for the presentation to the Legislature of 1923 were begun in September of 1922 with a statement of needs by department heads and directors. The request subsequently forwarded to the Legislature was for $7,277,000 in capital funds for the biennium and a continuation of the mill tax at 6/10 of a mill or $3,000,000 per year.[36] Note was made that the Regents were cognizant of the fact that the Legislature would be under pressure to economize in the 1923 session and thus the University request was both logical and factual.[37] The President also indicated that although there were serious needs within the operational area of the budget, it did not "seem wise" to request a change in the mill tax in 1923, but that it would be a necessity in 1925.[38] Politically this may have been a wise judgment, but to delay full disclosure of actual needs would appear to have been inconsistent with the President's call to lay the University's needs before the representatives of the people of the State and trust in their judgment. The approach in 1923 may also have created the opportunity for the Legislature to draw tentative conclusions about the relative importance to the University of capital needs as compared to operating needs.

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[35] University of Michigan, President's Report 1922-23, pp. 48-60.

[36] *Ibid.*, pp. 52-53.

[37] *Ibid.*, p. 51.

[38] *Ibid.*, p. 53.

There was in the legislative program of 1923 a continuation and perhaps an increase in the personalization of the program as a result of its identification with the great energies and enthusiasm of President Burton. He delivered countless addresses, hosted a visit of the full Legislature to Ann Arbor, and was in constant contact with key legislators and the Governor throughout the legislative session.[39] An indication of the Regents' support and satisfaction with the President's approach is evident in exerpts from two letters from Regent Sawyer in which Dr. Burton was praised for his effectiveness and congratulated for his influence with legislators.

> February 2
> I am pleased to learn that our legislative program is progressing so favorably. You are amazingly effective in convincing the State of our necessities and bringing it into a sympathetic and helpful attitude. You accomplish tasks that cause the rest of us to marvel.
>
> April 9
> I was in Lansing Friday and came away tremendously impressed with your influence with the Legislative bodies. You have in a high measure their admiration, confidence, and sympathetic attitude. They will do

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[39] Ibid., p. 55.

> anything within reason that you ask of them, and will do it because it is you.[40]

The Legislature of 1923 debated the University requests at some length and did not reach agreement on final figures until the closing hours of the session.[41] The appropriations for the biennium were $3,800,000 for capital expenditures and $6,000,000 from the mill tax for operating expenses.[42] The proviso that the funds would be released only by order of the SAB continued in effect with essentially the same operative language as in 1921.[43] In addition the Legislature enacted a clause to the mill tax law, which placed a limit on the proceeds from the mill tax at $3,000,000 per annum.[44]

Prior to the attachment of this clause the mill tax law had provided a built-in growth factor commensurate with the growth and development of the State. The only changes in the law since 1873 had been increases in the rate of the tax. The significant feature of the 1923 clause was that it eliminated the inherent growth factor and placed the determination of actual operating needs for the University to a much greater extent with succeeding legislatures.

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[40] Letters, Sawyer to Burton, February 2, 1923, and Sawyer to Burton, April 9, 1923, Sawyer Papers, Box 14, MHC.

[41] Letter, Shirley W. Smith to Board of Regents, May 8, 1923, Sawyer Papers, Box 14, MHC.

[42] Public Acts of Michigan, 1923, No. 310.

[43] Supra, p. 73.

[44] Public Acts of Michigan, 1923, No. 252.

The action also set a precedent of adjusting the University mill tax according to general State conditions and probably placed the needs of the University closer to the center of the State political arena than had been the case since 1850.

The President and the Regents reportedly "acquiesced" in this action by the Legislature,[45] presumably so as not to jeopardize the capital funds for the campus program. If either the President or the Regents felt very strongly about the principle involved at this juncture, it is not evident in the records of Regents' meetings or in the correspondence utilized for this study.[46] Recognition of the implications of biennial tinkering with the mill tax and its salient features was not manifest until 1925 and years following.

It is difficult not to conclude that the President and the Regents committed a strategic error in 1923 by judging the short-term completion of the building program as more critical than the protection of the long-range benefits of the growth factors of the mill tax for general operating expenses. The possibility that all connected with the decision were placing excessive confidence in the ability of Burton to come through when the chips were down must be seriously considered. When weighed in the balance it would appear that this was too much to expect from any leader, especially one with a serious heart condition.

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[45] Robbins, "Burton," p. 83. See also University of Michigan, President's Report 1923-24, p. 154.

[46] University of Michigan, Proceedings of the Board of Regents 1920-23. Burton, Murfin, and Sawyer Papers, MHC.

President Burton's strategy with the Legislature may have been revealed in his report in June, 1924, when he referred to the removal of the ceiling on the mill tax and an increase in income as the primary needs of the University.

> At the time this law was proposed the University acquiesced in its passage. The fact remains, however, that at the present time without qualification the first great need of the University is an increase of its income from the mill tax, and that this must be presented to the coming Legislature, not as a demand, but as a request for a continuation of that happy cooperation that has existed in past sessions.[47]

Burton cited the needs for maintenance of physical plant, for increased faculty, for increased faculty salaries, and for encouragement of research as causes of the motivation to lift the ceiling on the mill tax. If the President's strategy were to emphasize the capital needs in one session of the Legislature and follow with emphasis on operating costs at the next, his calculations of the Michigan Legislature may have suffered from an incomplete understanding of the personalities involved or the process or both. In any case he clearly misjudged the mood of the coming legislative session as well as the state of his own health.

The preparations for the legislative session of

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[47] University of Michigan, President's Report 1923-24, p. 154.

1925 were complicated by a recurrence of Burton's heart problems. He suffered an attack in the fall of 1924 and was totally incapacitated. The Board of Regents evidenced grave concern over Burton's condition and the impact his absence would have in the relations with Legislature in its next session.[48] The result was that President Emeritus Hutchins was called upon to assist in relations with Lansing and individual Regents increased their involvement in the process.[49]

The Regents in their December meeting established the priorities for the appeal to the Legislature in the following resolution:

> Resolved, that the first and principal item in the University's request to the Legislature of 1925 be the removal of the present limit upon the proceeds of the 6/10 of a mill tax.[50]

In addition the Board requested $3,192,700 for capital expenditures.

The Legislature responded by appropriating $1,800,000 in capital funds[51] and by merely raising the ceiling on the mill tax from $3,000,000 to $3,700,000 per annum.[52] The Legislature had not cooperated with the Burton strategy and the combined action of the Legislature was a setback for the University. President Emeritus Hutchins assessed the situation in writing to Regent Sawyer. He noted that the Legislature had been unwilling to remove the ceiling on the mill tax and apparently did not appreciate the significance of the unfettered mill tax in the University's history.

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[48] Letter, Sawyer to Ralph Stone, November 11, 1924, Sawyer Papers, Box 15, MHC.

[49] Regent Murfin was especially active and in a report of one meeting with Governor Groesbeck an interesting political judgment is revealed. The Governor reportedly requested that the University delay its activities with the Legislature until after the highway program was acted upon, which he thought would be in the first month of the session. Letter, Shirley W. Smith to Members of the Board of Regents, December 10, 1924, Ruthven Papers, Box 52, MHC.

[50] University of Michigan, Proceedings of the Board of Regents, December 17, 1924, Vol. 1923-26, p. 509.

[51] Public Acts of Michigan 1925, No. 335.

> We shall get the building for architecture and a museum building, but much to our regret, the limit will not be removed from the mill bill . . . . The members of the Legislative committees seem to have no appreciation of the great value to the University of an unlimited mill bill. The fact that the unlimited bill has been a most important factor in the great prosperity of the University and the further fact that it has been a model in at least fourteen other states, they brush aside as of no importance. Fifty years of remarkable development under the unlimited bill apparently counts for nothing with them. I trust the committees of the next legislature will see the light.[53]

The negotiations with the Legislature had been more difficult and complex in 1925 and much debate and discussion preceded the final decision of the University requests. There is also evidence that the Governor was very much involved in the process, which constituted another new development.

As early as January there had been indications of difficulty and contacts with individual legislators by

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[52] Public Acts of Michigan 1925, No. 314.

[53] Letter, Harry B. Hutchins to W. H. Sawyer, April 23, 1925, Sawyer Papers, Box 15, MHC.

Regents Murfin and Stone further confirmed the situation.[54] In February, the situation was compounded when a University invitation to President Calvin Coolidge to address the spring commencement antagonized Governor Groesbeck.[55] With Dr. Hutchins and Shirley Smith carrying the weight of the activity, many meetings were held in Lansing and Ann Arbor in an attempt to win majority support for the University requests. However, it appears as though supporting forces never came close to constituting a majority.

In April, Shirley Smith, after conferring with legislative leaders, including Senator Charles A. Sink (Ann Arbor), indicated that he thought in the final analysis, the Governor (Groesbeck) would hold the power of disposition of the University bill. He could not at that point predict the Governor's ultimate attitude, but did think that several legislative leaders were lined up in opposition to the University and suggested that some were prepared to place additional power for University appropriations with the SAB.[56] Smith's analysis of the situation is noteworthy in its depth and realism as he thought that constant alterations of the mill tax system would limit its effectiveness and put unnecessary political impediments in the way of regental decision-making.

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[54] Letters, Ralph Stone to Shirley W. Smith, January 3, 1925, and James O. Murfin to Ralph Stone, January 12, 1925, Murfin Papers, Box 3, MHC.

[55] Cooldige could not make it, but the damage in Lansing had been done. Telegram, Ralph Stone to James O. Murfin, February 16, 1925; telegram, James O. Murfin to Ralph Stone, February 17, 1925; and Letter, A. H. Lloyd (Acting President) to Regents, March 27, 1925, Murfin Papers, Box 3, MHC.

[56] Letter, Shirley Smith to Regents Beal, Clements, Murfin, and Hanchett, April 4, 1925, Murfin Papers, Box 4, MHC.

> With respect to the mill tax, it is a hard fight that will have to be made if this is successful. Personally, I believe as Dr. Sawyer expressed it at a former meeting with the Ways and Means Committee when he said that the mill tax is more important than all the building program put together. We are face to face with what amounts to the final determination of a principle, namely, whether we are to have a real mill tax any more, or whether we are simply to have a biennial appropriation by the Legislature of a certain flat sum, without hope of resuscitation of the real mill tax idea by which the Regents are able to plan for the future and are justified in making what are essentially long-time contracts with members of the faculty whom they bring here or keep here. If the question of fixing the limit of the mill tax is to come up in each Legislature there is nothing that will prevent a revising of the limitation downward if they want to. The Regents are left by such an arrangement practically at the mercy of the political ups and downs of each succeeding biennium.[57]

There are indications that some of the Regents shared in Smith's conclusions. The Smith letter refers to statements by Regent Sawyer and subsequent letters from Murfin and Stone give evidence of a similarity and intensity of feeling regarding the situation.[58] However, the Regents did not challenge the Legislature through judicial or public channels and Stone indicates that in his judgment to have done so would have been damaging to the prestige of the University.[59]

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[57] _Ibid_.

[58] Letters, James O. Murfin to William M. Mertz, April 21, 1925, and Ralph Stone to Junius Beal, May 21, 1925, Murfin Papers, Box 4, MHC.

The setback with the Legislature required substantial adjustments at the University, but the untimely death of President Burton on February 18, 1925 left a vacuum that required immediate attention.[60] To search for a new president the Regents sanctioned a joint committee of three Regents and three faculty.

The ultimate recommendation of the search committee was that Dr. Clarence Cook Little, President of the University of Maine, become the sixth president of the University of Michigan and the Regents accepted the recommendation. Dr. Little (thirty-six years of age) arrived at the University in the fall of 1925 with a reputation for conducting important biological research, for the outspoken advocacy of his progressive views, and for being a forceful administrator willing to take on even uncooperative legislatures. His challenges at Michigan would be many, but he came prepared and confident to meet them squarely.[61]

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[59] Letter, Ralph Stone to Junius Beal, May 21, 1925, Murfin Papers, Box 4, MHC.

[60] Robbins, "Burton," p. 87. A detailed account of the selection process is available in: Daniel K. Van Eyck, President Clarence Cook Little and The University of Michigan (Ph.D. dissertation, University of Michigan, 1965).

[61] Frank E. Robbins, "The Administration of Clarence Cook Little," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958), p. 88.

Campus and Capitol Collide

Prior to Little's arrival, the Regents faced an additional problem with Lansing which undoubtedly affected relations with Governor Groesbeck for his remaining months in office and placed the context of Little's initial contacts with Lansing on thin ice.

The difficulty developed as a result of an order from the SAB to the Auditor General not to release funds committed to the University by the Legislature for building and land purchases.[62] There was immediate concern voiced by the Regents for the legal principles involved and their desire that nothing spoil Little's arrival.[63] As a result of the intensity of his views on the constitutional status of the Regents and his extensive political influence, Regent Murfin was selected to attempt to solve the problem by direct contact with Governor Groesbeck.

Within a period of twelve days (September 5-17) Groesbeck and Murfin met at least twice and exchanged correspondence in an attempt to settle the differences. The Governor held that the action by the SAB was legal and Murfin argued that it was a direct abridgement of the constitutional powers of the Regents.[64] At one point

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[62] Letter, Shirley W. Smith to Regents, September 4, 1925, Murfin Papers, Box 4, MHC.

[63] Ibid.

[64] Letter, James O. Murfin to Shirley W. Smith, September 5, 1925, Murfin Papers, Box 4, MHC.

Murfin indicated the possibility of requesting that the courts settle the question and the confident Governor reportedly encouraged the Regents to begin such proceedings.[65] In a letter to the Governor, Murfin reminded Groesbeck that the Regents were united in their contestation of the action by the SAB, but had unanimously decided not to inaugurate a mandamus proceeding for two reasons: they were confident of the Governor's assurance that the money would be forthcoming; and they preferred to maintain harmonious rather than competitive relationships with the Governor.[66] The matter was resolved by the Governor's written reply to Murfin assuring payment of the appropriate funds, and a meeting of the two to reaffirm their mutual understanding of the resolution. The Governor's letter also revealed the undercurrents of impatience and irritation that characterized the affair.[67]

The significance of this incident is threefold. It provides evidence of the extent to which individual Regents of great personal prestige and influence were active in relations with State government. Second, it gives some evidence of the degree to which the State Executive was involved in fiscal matters pertaining to the University.

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[65] Ibid.

[66] Letter, James O. Murfin to Governor A. J. Groesbeck, September 14, 1925, Murfin Papers, Box 4, MHC.

[67] Letters, Governor Groesbeck to James O. Murfin, September 15, 1925, and James O. Murfin to Shirley W. Smith, September 17, 1925, Murfin Papers, Box 4, MHC.

Finally, the manner in which the Regents approached this problem suggests the extent to which they sought to avoid an outright public split with the Governor as well as their reluctance to utilize judicial channels to settle their differences. This was the general climate into which C. C. Little entered to assume the presidency of the University.

The climate was altered by the elections in 1926 in which the Groesbeck faction of the Republican Party was beaten by rival forces lead by Fred W. Green of Ionia. Green provided uninspired leadership for two terms as Governor demonstrating little interest or concern for the reforms in state government initiated under Groesbeck.[68]

An indication of Green's differences in approach occurred in June of 1927 when the Governor vetoed portions of the appropriations bills for the University of Michigan.[69] Prior to the veto, the Legislature had been rather generous to the University, acting favorably on the request to remove the ceiling on the mill tax and allocating capital funds for nearly all of the University requests. Senator Sink recalled that the vote in the Senate on University appropriations bills had been very close as a result of behind the scene arm-twisting by the Governor, which was inconsistent with his assurances to University supporters that he would back them.[70] When confronted with the inconsistency by Sink the Governor backed off, but then proceeded to exercise his item veto to reduce capital appropriations for the biennium by 2.75 million dollars and struck a solid blow to continued expansion in Ann Arbor.[71] The veto by the Governor was also a setback for the new President and the relations between the two are reported to have deteriorated measureably thereafter.[72]

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[68] Dunbar, Michigan, p. 546.

[69] A text of the Governor's acts is contained in the University of Michigan, President's Report 1926-27, p. 37.

The action by the Governor was not totally unexpected,[73] but it was, significantly, the first time a Governor of Michigan had exercised his veto power on University appropriations.[74] Regent Murfin was deeply distressed by the Governor's move and indicated a willingness to criticize him publicly for poor judgment and inconsistencies between private assurances and public acts.[75]

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[70] Interview, Charles A. Sink and David B. Laird Jr., April 21, 1971.

[71] University of Michigan, President's Report 1926-27, p. 37.

[72] Van Eyck, Clarence Cook Little, p. 176.

[73] Letter, James O. Murfin to Charles B. Warren, May 17, 1927, Murfin Papers, Box 5, MHC. Murfin refers to the possibility of the Governor's use of a veto on University appropriations bills. He suggests that such action would be a "frightful blow" to the University and a "monstrous political blunder" for the Governor.

[74] Letter, James O. Murfin to Hon. O. B. Fuller (Auditor General), June 9, 1927, Murfin Papers, Box 5, MHC.

[75] Letter, James O. Murfin to Shirley W. Smith, June 9, 1927, Murfin Papers, Box 5, MHC.

From his first days in Ann Arbor Dr. Little made no attempt to conceal his strong views in a number of areas. It was not long before individuals and groups in the State began to voice their criticisms of Little to the Regents.[76] His call for some forms of birth control was particularly antagonizing to the Catholics. He was also an outspoken advocate of tax reform which did not sit well with some state politicians, especially Governor Green.

In fact, Van Eyck asserts that Little's position on tax reform resulted in Green's advocacy of a constitutional amendment to restrict the independence of the University and the authority of the Regents.[77] The asserted causal relationship seems tenuous and Van Eyck offers no proof in evidence, but there is no doubt that Little was increasingly causing strain in relations with both legislative and executive branches in Lansing.[78]

Regent Stone in a confidential letter to Regent Sawyer expressed his uneasiness with the developing antagonisms toward the University as a result of the President's "utterances."[79] He was further distressed that some of

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[76] Examples may be found among correspondence to Regent Murfin in the folders dated December 1-31, 1925 and January 1-31, 1926, Murfin Papers, Box 4, MHC.

[77] Van Eyck, Clarence Cook Little, p. 9.

[78] Letters, Junius Beal to Walter H. Sawyer, February 8, 1928, and Walter H. Sawyer to Junius Beal, February 9, 1928, Sawyer Papers, Box 17, MHC.

[79] Letter, Ralph Stone to Walter H. Sawyer, February 16, 1928, Sawyer Papers, Box 17, MHC.

Little's remarks were creating a spirit of unfriendliness to the University among the rural population and that was being translated to their representatives in Lansing.[80] Stone saw this as a clear threat to the support rural legislators had customarily given University related bills.

Further tensions arose in the fall of 1928 and it was apparent that Little was losing support among the Regents. In summarizing the situation, Van Eyck found that Little was having difficulty with faculty, alumni, citizens in Ann Arbor, the Legislature, the Governor, and several special interest groups.

> He had had difficulties with the faculty, with private donors, and with some alumni groups; he had been heavily criticized by many residents of Ann Arbor; he was not popular with either the Governor or the legislature. His outspoken opinions regarding religion, birth control, and prohibition, all issues having little relevance to his position as university president, had made him a center of controversy. His enthusiastic support of a study of the state tax structure and governmental efficiency added to his unpopularity in Lansing.[81]

Van Eyck reports that as late as December, 1928, a majority of the Regents continued to support Little.[82] However, problems with William C. Cook (the benefactor of the Law School), the approaching legislative session of 1929, and the threat of competition in regental elections apparently tipped the balance of support against Little.[83] After a meeting with Regent Murfin held at the request of a majority of the Board, President Little agreed to tender his resignation.[84] The resignation was presented to the Board of Regents on January 21, 1929 and was to take effect the following summer.[85] The Regents had taken charge in an unfavorable situation and the University was in the limelight of the State as never before.

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[80] Ibid. The rural inhabitants were not pleased with Little's disparaging remarks regarding plans to further develop the State College in East Lansing.

[81] Van Eyck, Clarence Cook Little, p. 8.

[82] Ibid.

The resignation of President Little did not completely solve the problems facing the Regents at the time. Even though Regent Gore, after meeting with the Governor, indicated that the resignation "greatly clarified the situation," there remained some ticklish political problems,[86] some of which were the result of the timing of the resignation.

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[83] Ibid., p. 226. Van de Water questions the conclusion that the veiled threat to Sawyer's relection had any bearing on the Regents' decision and gives evidence to support his argument. Nevertheless it would appear justified to conclude that more than one Regent was aware of the potential of competition in the election inspired by the Governor and that this knowledge may have had some influence on one or two votes. Peter E. Van de Water, Peace Maker: Alexander G. Ruthven of Michigan and His Relationship to His Faculty, Students and Regents, (Ph.D. dissertation, University of Michigan, 1970), p. 6, n. 11.

[84] Van Eyck, Clarence Cook Little, p. 226.

[85] Robbins, "Little," pp. 89-91. The resignation received considerable national attention and was the subject of a cover story in Time magazine. The article attributes Little's departure directly to the antagonism of Governor Green and key legislators. "Jobless Little," Time, Vol. XIII, No. 5, (1929), pp. 36-38.

[86] Letter, Victor M. Gore to Walter H. Sawyer, William Clements, Junius Beal, and Ralph Stone, January 23, 1929, Sawyer Papers, Box 18, MHC. These five Regents constituted the majority that requested Murfin to meet with Little regarding his resignation.

There were persistent rumors that Dr. Little had been sacrificed by the Regents as a result of direct political pressures from Lansing and a threat of a loss of benefaction from W. C. Cook.[87] Regent Sawyer was categorical in his denial of pressure or influence.

> While it is courteous and proper that we should maintain a decent relationship with the State and Legislature, yet we could not in justice to the aims, purposes, and ideals of higher education concede to any other person or body a control of our action. I say this emphatically. While this may be charged, it has no basis in fact.[88]

Although evidence of direct political involvement in the decision regarding President Little has not been located, the correspondence among the Regents in the fall of 1928 reveals their growing sensitivity to the reactions in Lansing toward Little and the natural overflow of these reactions into general University-State relations. It may be concluded that these factors did play an important role in the decision reached by the Regents, even though direct involvement by political leaders or their operatives may not have been present. The fact that the role of the University President in State relations was so crucial that a poor showing could cost him his job suggests a level of importance of this relationship that was probably not present prior to 1920.

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[87] Letters, Senator Albert J. Engel to Walter H. Sawyer, February 4, 1929, and Durand W. Springer to Walter H. Sawyer, March 21, 1929, Sawyer Papers, Box 18, MHC.

[88] Letter, Walter H. Sawyer to Senator Albert J. Engel, February 5, 1929, Sawyer Papers, Box 18, MHC.

While reaching a consensus on Little's status, the Regents also had to cope with Governor Green's proposal to alter the arrangements for the governance of public higher education in the State. The likelihood of passage of such a plan was judged to be very slim and the Regents chose not to be drawn into a public debate on the matter.[89] However, as Senator Sink remarked in retrospect, a proposal of such political impact could not be taken lightly.[90] It may be assumed that there was a good bit of behind the scenes maneuvering to assure that the Green proposal would not get off the ground.

The potential threat of the Governor's proposal to the historical status of the University was not lost on the editors of the Detroit News. In a detailed editorial entitled, "The University Must Be Independent," the editors decried the slippage toward political influence in University affairs. Citing the purpose of the University-related sections of the Constitution of 1850, the editorial argued that growing financial dependence on the Legislature threatened to make a political football of the University.

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[89] Letter, James O. Murfin to Thomas Clancey, December 1, 1928, Murfin Papers, Box 5, MHC.

[90] Interview, Charles A. Sink and David B. Laird Jr., April 21, 1971.

The editors concluded with the exhortation that the University should be "forever freed from the danger of political control."[91]

Thus as the Regents made plans for the spring of 1929, they were faced with the immediacy of the approaching legislative session with a lame duck administration and the need to begin the search for the man to take the reigns of a great University suffering from the turmoil of an unhappy clash of personalities and policies. The period ahead would provide a severe test for the viability of a governing board of elected laymen. The previous three years had placed the Regents collectively and individually in the public eye and on several occasions near the center of controversy surrounding President Little. Their power had been threatened by the Legislature and the workability of their role questioned by the Governor. The next two years were critical years for the Regents and the University for which they were ultimately responsible.

In view of Little's lame duck status, it was decided to have the approach to the Legislature of 1929 coordinated by a committee representing the Regents and administration. Regent Sawyer, the senior board member with considerable influence in Lansing, was designated chairman of the committee. Regents Beal and Clements were also selected to serve along with Dr. A. G. Ruthven, Dean of Administration, to represent the administration.[92] The theme of the committee's approach had been articulated in a letter from Ruthven to Stone in which he illustrated the academic needs of the University, especially in the area of faculty compensation.[93] With the lifting of the mill tax ceiling in 1927, it was not necessary for the 1929 program to request readjustments in it.

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[91] Detroit News, January 29, 1929, p. 4. The editorial may have been the direct product of a conversation between an editor (Miller) and Regent Stone a few days prior to publication. Letter, Ralph Stone to James O. Murfin, January 30, 1929, Murfin Papers, Box 6, MHC.

The work with the Legislature went quite smoothly considering the circumstances and much of the success was attributed to the dedicated work of Senator Charles A. Sink, an apparently untiring supporter of University causes.[94] Sink's knowledge of the legislative process and his respected status among colleagues in both houses was undoubtedly helpful to the committee representing the University. Sink was also given credit for fending off an effort in mid-session to have the mill tax appropriation incorporated into the general budget bill. The chief threat of this procedure would have been the placing of the University appropriations budget under the direct control of the State Administrative Board.[95] In sum, the threat was averted, the Legislature was generous to the University, and the interim committee had accomplished its tasks with considerable success.[96]

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[92] Robbins, "Little," p. 96.

[93] Letter, Dean A. G. Ruthven to Ralph Stone, January 3, 1929, Stone Papers, Box 1, MHC. See also: "Michigan University Today: An Address to the Legislature of 1929," Ruthven Papers, Box 52, MHC.

[94] Letter, Walter H. Sawyer to Charles A. Sink, May 8, 1929, Sawyer Papers, Box 19, MHC.

In the fall of 1929, following the unexpected resignation of Benjamin Hanchett, the Regents suffered another political blow at the hands of the Governor. Upon learning of the resignation, Regent Stone sent a telegram to Governor Green urging him to confer with other Regents regarding candidates to replace Hanchett and suggested that current problems were such that the "appointment of a practicing lawyer with mature experience would be desirable and of importance to the University at this time."[97]

The Governor had his own thoughts on the matter and in a meeting with Stone two days later indicated that the political climate of the State made it imperative that he appoint a woman to the Board of Regents. His reasoning was that to delay the placement of a woman on the board would be to effectively throw the University into politics at the next State party conventions.[98] Stone was not convinced of the Governor's logic and one must suspect that few, if any, of the Regents were.

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[95] Letter, Dean A. G. Ruthven to Regents William Clements, Junius Beal, and Walter H. Sawyer, April 8, 1929, Box 18, MHC.

[96] The Governor cut some funds before approving the final appropriations bills, but the mill tax remained untouched in 1929.

[97] Telegram, Ralph Stone to Governor Green, September 23, 1929, Sawyer Papers, Box 19, MHC.

[98] Letter, Ralph Stone to James O. Murfin, September 25, 1929, Stone Papers, Box 1, MHC.

In a letter to the Regents on the 30th of September Governor Green announced the appointment of Mrs. Esther Marsh Cram to fill the unexpired term of Benjamin Hanchett.[99] Although Mrs. Cram served a distinguished tenure on the Board, the political rationale for her appointment would appear inconsistent with the magnitude of the duty and not in keeping with the spirit of the constitutional status of the Board of Regents. It is possible to interpret the action as primarily the work of an insensitive and crass politician, but the absence of public and private irritation following the appointment may suggest a wider acceptance of the Governor's logic and motive. If this was so, it may also indicate that a change in the public image and prestige of the Regents was in process.

The Search for Stability

The selection of the president of the University has been an explicit power of the Board of Regents since the adoption of the Constitution of 1850 (section 8). There can be no doubt that it is among the most important responsibilities with which the Board is charged. No Board has taken the charge lightly and their appointments have been generally successful.

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[99] Letter, Governor Green to Board of Regents, September 30, 1929, Murfin Papers, Box 6, MHC.

The Regents of 1929 were eager to select a leader who could lend stability to an institution weakened by internal dissention and external criticism. The task was not an easy one and the type of man they desired might require some convincing to accept the challenge.[100] Thus the Regents appointed the most senior and experienced members to conduct the initial screening of candidates: William Clements, a thoughtful and diplomatic individual with extensive contacts, chairman; Dr. Walter H. Sawyer, a moderate and a highly respected physician; and Junius Beal, the local resident (Ann Arbor) of the Board with notable sensitivity to campus and community.

The selection committee received numerous public recommendations of candidates including Alexander Meiklejohn of Wisconsin, Calvin Coolidge, and Walter A. Jessup of Iowa.[101] Van de Water states that from the beginning of the selection process Alexander G. Ruthven was the frontrunning candidate, but the Board's desire for unanimity and premature disclosures to the press prevented an early decision in his favor.[102] Curiously enough Ruthven appears to have had the backing of both Governor Green and Dr. Little as well as other prominent members of the campus and state community.[103]

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[100] An accurate and fascinating account of the selection process and its context is contained in Van de Water, Peace Maker, pp. 6-25.

[101] Ibid.

[102] Ibid., pp. 7-8, 15-25.

The selection process was arduous and as a result of several complicating factors, lasted into the early fall. The public pressure for a decision mounted during the summer and by September the external pressures and internal frustrations were of such intensity that the tensions within the Board were reaching dangerous levels. In fact, Regent Murfin, a steadfast supporter of Ruthven's candidacy, was prepared to resign in frustration, but cooler judgment prevailed.[104]

Finally, at the October 4th meeting the long-sought unanimity was achieved and Dr. Alexander G. Ruthven was appointed the seventh President of The University of Michigan.[105] His respect among his colleagues, his knowledge of the institution's strengths and problems, and his proven ability to deal effectively with the University's external publics made Ruthven a logical choice.

The Regents had weathered another storm and the resurgence of the University during Ruthven's twenty-two year tenure vindicates their decision to place their trust in him. Few would argue that the University was not in need of forceful direction when Ruthven took over in October, 1929, but the situation in 1929 might have been much worse had it not been for the careful attention and rational guidance provided by the Regents from the time Burton was stricken in 1924. They were difficult and trying years and it is fair to suspect that lesser men would have compromised many academic principles for personal gain in similar circumstances.

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[103] Letter, Junius Beal to Ralph Stone, May [illegible], 1929, Sawyer Papers, Box 19, MHC.

[104] Letter, James O. Murfin to Benjamin Hanchett, September 14, 1929, Murfin Papers, Box 6, MHC. Murfin continued to be worried about the loss of public confidence as a result of the selection process, much of which was leaking to the press. Letter, James O. Murfin to Ralph Stone, September 25, 1929, Murfin Papers, Box 6, MHC.

[105] University of Michigan, Proceedings of the Board of Regents, Vol. October 1929 to June 1932, p. 1.

The nucleus of the board's leadership was the unique blend of experience, prestige, and commitment provided by Sawyer, Clements, Beal, Stone, and Murfin. Senator Sink called them "Great Oaks"[106] and Ruthven asserted that "nobody ever had a better Board than that one."[107] James O. Murfin was a highly respected Detroit attorney practicing in the highest courts of the nation. He was active in the leadership of the state Republican Party and on a first name basis with the governors and most of the legislative leaders during his tenure on the Board. Ralph Stone, the President of the Detroit Trust Company and chairman of the Committee on City Finances for Detroit, provided thoughtful and prescient fiscal leadership on the Board and was of great assistance to the

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[106] Interview, Charles A. Sink and David B. Laird Jr., April 21, 1971.

[107] Interview, Dr. Alexander G. Ruthven and Peter Van de Water, January 20, 1970, Peter E. Van de Water, "Alexander G. Ruthven Oral History," 1970, MHC.

University business officers, especially during the depression years. William L. Clements was most influential in maintaining quality and continuity in the building programs of the University. His personal knowledge and interest in Americana resulted in the establishment of the famous collection of manuscripts, documents, and maps in the Clements Library on campus. Junius Beal, an active resident of Ann Arbor, maintained a constant interest and concern in campus activities and was noted for his advocacy of student welfare policies. Dr. Walter H. Sawyer was especially influential in medical affairs and provided expert guidance during the great expansions of the University hospital and medical school facilities. He was also highly respected among the state politicians and frequently was the Board's most influential representative in relations with State government.

It is an interesting and fortunate historical coincidence that during a most demanding period for the Board of Regents, the individuals serving on the Board had such a range of expertise, personal prestige and influence, institutional interests, and continuous service. It is the judgment of this researcher that at no other time in the history of the University has the ability, strength, and influence of the Board compared with that present during the concurrent terms of Regents Beal, Clements, Murfin, Sawyer, and Stone.[108] It must be noted, however, that other men and women of singular talent and prestige have served as Regents before and after this group, but they were not accompanied in tenure by a clear majority of members with comparable personal expertise and stature.[109]

The Mill Tax is Jeopardized

The Regents and President Ruthven had numerous internal difficulties to confront in 1929-30,[110] but there were also ominous signs of impending external problems. The financial crisis that enveloped the nation in the fall of 1929 did not have an immediate financial impact on the University, but the State suffered quickly and significantly. The citizens of Michigan had been requesting taxation relief for many years and the financial crisis intensified their plea.[111] The State soon fell short in its tax collections as many individuals found tax delinquency a ready form of fiscal relief.[112]

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[108] Their terms of service were: Sawyer 1906-31; Beal 1908-40; Clements 1910-34; Murfin 1918-34, 1934-38; Stone 1924-40.

[109] Senator Sink supports this conclusion. Interview, Charles A. Sink and David B. Laird Jr., April 21, 1971.

[110] Van de Water's Peace Maker provides considerable insight to the internal problems of the University during this period.

[111] Richard T. Ortquist, Depression Politics in Michigan 1929-33 (Ph.D. dissertation, University of Michigan, 1968), Chap. III, pp. 91-124.

The elections of 1930 were indicative of the troubled times. Two of the major issues of the campaign for governor were unemployment and tax relief, and there were numerous personal and factional positions on the topics.[113] The Republicans, still the dominant political party in the State, split into three major factions making it possible for Wilbur Brucker to win on an "economy in government" platform.[114] A byproduct of the Republican factionalism was a surprising show of strength by the Democratic candidate William Comstock, the full implications of which became apparent in the sweeping victories of the Democrats in the elections of 1932.

Ortquist asserts that among the problems confronting the Brucker administration none was as important as the need for tax reform.[115] The State was too dependent upon property tax revenues for state operating expenses and in an urgent need of a diverse taxing program. Any change in the property tax structure had immediate implications for the property-based University mill tax. The Brucker administration made a concerted attempt to bring about some tax reforms, but was thwarted by the continuing battle among factions in its own party, by urban-rural frictions, and by the political opposition of special interest groups.[116]

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[112] An exchange of correspondence between President Ruthven and Charles W. Foster, Secretary of SAB, October 7-9 indicates the extent of tax collection problems. Ruthven Papers, Box 51, MHC.

[113] Ortquist, Depression Politics, pp. 23-90.

[114] *Ibid.*, p. 104.

[115] Ibid., p. 91.

It was within the context of this political-economic climate that President Ruthven and the Regents made their requests for the 1932-33 biennium to the Legislature of 1931. Those close to the University were acutely aware of the tax delinquency problems of the State and their implications for University appropriations. Then an old spectre appeared unexpectedly in early February to further complicate the situation.

The evening Detroit Free Press of February 6, carried a story which alluded to legislative consideration of a return to a ceiling on University mill tax revenues with the funds above the ceiling being allocated to other State needs.[117] The story also reported an existing deficit of $4,688,683.04 left by the Green administration and thus consideration of proposals to limit the powers of the SAB to prevent future deficits.

Reacting to the news story, Regent Sawyer suggested that an alteration of the mill tax would spell disaster for the University. In fact he argued that the Regents could afford any concession but a change in the mill tax.[118]

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[116] Ibid., pp. 122-23.

[117] Detroit Free Press, "State Deficit Bill is Drawn," February 6, 1931, p. 15.

Less than a week later, the Governor's proposed budget was released calling for an overall cutback of $15,000,000 in State spending. Among his recommendations were cuts in appropriations for both The University of Michigan and Michigan State College plus an elimination of the 6/10 mill tax.[119] The Governor explained that the reductions were consistent with economies throughout State agencies and institutions. He reasoned that these actions necessitated a change in the appropriations law and recommended that the Legislature set a fixed amount in the revised law.

> The allowances for The University of Michigan and the Michigan State College have, in accordance with the general program of economy, been reduced. This will necessitate a clause in the respective appropriations acts providing that when the legislature shall appropriate a fixed amount for them in any one year, the same shall be in lieu of all mill tax allowances for that period.[120]

The implications of the Governor's proposals were immediately recognized by the Regents and University officials.[121] Within a few days assistance from several quarters was being solicited and it became apparent that on this challenge the University was prepared to do battle. Citing the threat of loss of faculty, Shirley Smith wrote to the editor of the Ludington News seeking his persuasive assistance. Smith summarized his analysis of the situation by arguing that an abandonment of the mill tax would deprive the University of the opportunity to do any planning based on anticipated income. Without planning, he asserted, the University's development would lack order and logic.

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[118] Letter, Walter H. Sawyer to James O. Murfin, February 7, 1931, Murfin Papers, Box 6, MHC.

[119] Detroit Free Press, "Brucker Cuts State's Budget $15,000,000" February 10, 1931, p. 1.

[120] Ibid.

[121] Letters, President Ruthven to Rep. James G. Frey, February 8, 1931; Frey to Ruthven, February 9, 1931; Ruthven to Frey, February 10, 1931; Ruthven Papers, Box 51, MHC. Letter, James O. Murfin to Shirley Smith, February 10, 1931, Murfin Papers, Box 6, MHC.

> It is difficult to plan a university's growth and development on a hand to mouth basis. Growth must be foreseen; systematic development must be projected; needs must be anticipated by allocation of funds and orderly and systematic progress must be sustained. None of these things can be done properly without exact knowledge of available and continuing funds over a term of years. Without this enlightened and progressive management becomes opportunism.[122]

The correspondence of Regents Murfin and Shorts reflects the intensity of their views on the situation with both indicating an unwillingness to compromise on the mill tax.[123] In his letter to President Ruthven, Murfin suggested joining with Michigan State College in requesting a public hearing on the Governor's proposals to dramatize the issue: "The bigger and better the gesture and the more publicity we get from it the better effect it will have."[124]

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[122] Letter, Shirley W. Smith to G. D. H. Sutherland, February 20, 1931, Ruthven Papers, Box 52, MHC.

[123] Letters, James O. Murfin to President Ruthven, February 20, 1931, and R. Perry Shorts to James O. Murfin, February 24, 1931, Murfin Papers, Box 6, MHC.

[124] James O. Murfin to President Ruthven, February 20, 1931, Murfin Papers, Box 6, MHC.

Even the Michigan Alumni Club of Detroit was involved at this early date by advising the Governor that it strongly protested any interference with the mill tax as it stood.[125]

The position of some of the Regents reflects a realism regarding the political and economic climate even though their concerns about the principles involved in the mill tax, as a foundation of University progress and autonomy, required that they remain publicly intransigent. As early as the first week in March, Regents Murfin and Shorts were confidentially discussing the ultimate need for the University to take a cut in appropriations.[126] At the same time another letter from Murfin indicates that the Regents were so concerned about the Governor's proposals that they had agreed to limit their expenditures to the barest essentials while the Legislature was in session, presumably to avoid second guessing and retaliation.[127]

The exchange of letters between an Iron Mountain attorney and the representative from his district reveals a legislative perspective on the issue. The attorney had written protesting any change in the mill tax arrangement for the University and decrying the use of the University as a political football.[128] In reply, Rep. Daprato stated that he thought there was not a serious legislative intention to repeal the mill tax, but rather a strong indication that the University's appropriations would be held at about the level received in 1929. He also noted that, "When every other institution in the State is being cut back surely The University of Michigan cannot complain because we are not giving them an increase."[129]

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[125] Telegram, Executive Committee University of Michigan Alumni Club of Detroit to Gov. Wilbur M. Brucker, February 23, 1931, Ruthven Papers, Box 53, MHC.

[126] Letters, James O. Murfin to R. Perry Shorts, March 2, 1931, Shorts to Murfin, March 3, 1931, Murfin Papers, Box 6, MHC.

[127] Letter, James O. Murfin to Paul Buckley (Michigan Union), March 2, 1931, Murfin Papers, Box 6, MHC.

Unsure of a final outcome and convinced of the need to assure that the mill tax would not be altered or eliminated, the efforts of the Regents and President Ruthven continued throughout the legislative session.[130]

There were other reasons for concern, too, as mid-March was the time for the Republican State convention and the terms of Junius Beal and Ralph Stone were up. Some careful lobbying by Murfin and deft maneuvering by Beal succeeded in assuring them renomination and the Board the potential of continued benefit of their skills and experience.[131] Shortly thereafter, however, the Regents suffered a significant loss of experience and influence with the death of Dr. Walter H. Sawyer.[132]

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[128] Letter, Raymond Turner to Hon. John Daprato, March 10, 1931, A. J. Engel Papers, Box 1, MHC.

[129] Letter, Rep. John Daprato to Raymond Turner, March 13, 1931, A. J. Engel Papers, Box 1, MHC.

[130] Examples: "Murfin, U.M. Regent, Fights Mill Tax Loss," Detroit Free Press, March 19, 1931, p. 1. Letter, Committee on Public Relations and Legislation, Michigan State Medical Society to doctors and members of medical societies of Michigan, March 21, 1931, Ruthven Papers, Box 51, MHC. Letter, Louise M. Siefert, Detroit Federation of Women's Clubs to President Ruthven, April 1, 1931, Ruthven Papers, Box 51, MHC. Letter, James O. Murfin to Shirley W. Smith, April 10, 1931, Murfin Papers, Box 6, MHC.

The President and the Regents remained skeptical of the final outcome until the end of the legislative session and there are indications that some eleventh hour maneuvering justified their uneasiness.[133] The final legislative action reinstated a limit on the mill tax revenues for the University,[134] which the President and the Regents appear to have considered more than a partial victory. President Ruthven issued a statement to the press indicating his satisfaction with the action of the Legislature. He stated the willingness of the University to assist in the economic emergency, provided it was not required to sacrifice its own principles (i.e. a separate appropriations system).

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[131] Letters James O. Murfin to Ralph Stone, March 16, 1931, and Junius Beal to James O. Murfin, March 25, 1931, Murfin Papers, Box 6, MHC.

[132] Sawyer died in April of 1931 having served continuously as a Regent since 1906. He was replaced by Dr. Richard R. Smith of Grand Rapids, thus retaining the presence of a medical man on the Board.

[133] There was a battle in the Senate in which the Governor nearly succeeded in pressuring the majority of the Senate Finance Committee to see it his way on University appropriations. The proposal to alter the mill tax finally died in committee. Letters, Sen. A. J. Engel to F. A. Van Wagoner, May 7, 1931; Engel to Van Wagoner, May 14, 1931; and Engel to Charles A. Sink, May 14, 1931; Engel Papers, Box 1, MHC. Letter, Engel to James O. Murfin, May 15, 1931, Murfin Papers, Box 6, MHC.

[134] Public Acts of Michigan, 1931, No. 319.

> I am pleased with the action of the Legislature in regard to the appropriations for Michigan State College and The University of Michigan. Strictly speaking, to place a limit on the mill tax income is not reflecting the spirit of the act; but the University is glad to assist the State in an emergency as far as this can be done economically and without repudiation of fundamental principles. The two year limitation of income is not the important consideration. The alternatives proposed to substitute an annual appropriation for the mill tax by providing for the maintenance of the institutions in the State budget bill would have destroyed a principle of the greatest importance to education and would have spelled ruin for the University and State College.[135]

As seen through the perspective of the University, the challenges of the Legislature of 1931 had been serious. The session was, to be sure, a baptism by fire for President Ruthven. He had taken a significantly different position on the mill tax than had Burton before him. Furthermore, Ruthven was not the least bit hesitant to appeal to the University's publics for support in his defense of the historic mill tax system. The depth and intensity of Ruthven's views in this regard were perhaps most evident in a draft of a letter to alumni of the University.[136] The letter is a call for support of the mill tax citing it "beyond all fear of contradiction" as the one thing that had permitted The University of Michigan to achieve its evident success. He asserted that the system had withstood the test of time and had, as designed, helped to keep the University from the "sphere of political contention." Reflecting on the problems of 1931, Ruthven argued that the mill tax law was purposely contrived to carry the University through "emergencies" as well as "ordinary times." His final call for a public display of feeling on the matter was capped by the assertion that, "This is Michigan's critical hour."[137]

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[135] Press release, May 25, 1931, Ruthven Papers, Box 55, MHC.

[136] Letter, President Ruthven to the Former Students of The University of Michigan Resident in the State of Michigan (undated in Folder "Legislature 1930-31"), Ruthven Papers, Box 55, MHC. This is believed to have been drafted in the winter of 1931 and was marked "not used." No evidence was found of its use.

As his letter illustrates, the challenge had demonstrated that Ruthven was a man with deep convictions. His approach to the Legislature throughout the session demonstrated an understanding of the legislative process and a willingness to sustain a forceful effort to win his battle.[138] The correspondence of the late spring indicates that he also impressed many legislators and no doubt reinforced the Regents' opinions that they had made a wise decision in his selection.

1932--A Pivotal Year

During the heat of the legislative battle, Regent Stone in analyzing the general economic situation foresaw difficulties on the horizon that would, in retrospect, make the battle of 1931 ironic.

Writing in May of 1931, Stone urged the assignment of someone at the University to investigate "the effect upon the university income of a fundamental change in the system of state taxation--and of local taxation too--which is bound to come, and perhaps in the near future."[139] His concern, as stated, was that the Regents should not be unprepared if proposals for fundamental reform should come before the Legislature. Predicting that the reforms would tend toward special taxes and away from general property taxes, Stone foresaw difficulties in retaining the principle of the mill tax under the special tax system.[140] Less than a year later Stone's predictions had become reality and the soundness of his judgment quite clear.

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[137] Ibid.

[138] A capsule review of the activities of the legislative session appears in the University of Michigan, President's Report 1930-31, pp. 1-4.

The Depression that gripped the nation following the financial crisis in 1929 extracted a high toll in Michigan with marginal farmers and northern miners hit especially hard.[141] As the strain and hardship increased, so too did the expectations of assistance from the government.[142] As general economic conditions grew worse, income for the State declined and tax delinquency was prevalent.[143]

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[139] Letter, Ralph Stone to President Ruthven, May 14, 1931, Murfin Papers, Box 6, MHC.

[140] Ibid.

[141] Dunbar, Michigan, p. 675.

[142] Ibid., p. 631.

[143] Ibid., p. 636.

In a special session of the Legislature in 1932, called to attempt to reconcile the problems of the State, the University took a fifteen percent cut in appropriations for the 1932-33 fiscal year and campus economies were put into effect, including scaled salary reductions and a curtailment of all building programs.[144] The Regents and the President were fully prepared to cooperate, given the State conditions, so long as the basic mill tax law remained unaltered.[145]

The November elections in 1932 produced two significant results. After seventy-eight years of political dominance of the State, the Republicans were defeated. The Democratic candidate, William Comstock, was elected Governor and Democrats captured majorities in both houses of the Legislature.[146] Perhaps the chief significance of the return of the Democratic Party to this study is the fact that 1932 began a period of intense two-party activity in the State which produced almost biennial changes in leadership and majorities until the tenure of G. Mennen Williams and the Democrats in the nineteen fifties.[147]

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[144] University of Michigan, President's Report 1931-32, p. 1.

[145] Letter, Ralph Stone to James O. Murfin, March 29, 1932, Murfin Papers, Box 7, MHC. The letter is a report of a conference with the Governor in which Regent Stone, President Ruthven and Vice-President Shirley Smith participated.

[146] Dunbar, Michigan, p. 653.

[147] A detailed analysis of the significance of the elections of 1932 appears in: Ortquist, Depression Politics.

This pattern undoubtedly disrupted the well-developed patterns of communication and influence from Republican Regents to Republican Governors and Legislators. The new pattern also resulted in the election of a number of Democrats to the Board of Regents, lending a diversity of opinion and philosophy not always present prior to that.

A more immediate problem for University officials was the result of the adoption of a constitutional amendment that limited the State to a maximum taxation of fifteen mills of assessed valuation on real estate and personal property.[148] The adoption of this amendment forced the State government to abandon its longstanding reliance on property taxes for the lion's share of State revenue and to search for alternate forms of taxation.[149] Regent Stone's prediction had become law and the historic University mill tax was gasping its last breaths.[150]

A New Form for University Support

The Legislature of 1933 sought to bring a fresh approach to the complex problems of the State,[151] but appeared to flounder, perhaps due to the inexperience of Democratic leadership combined with the enormity of the tasks before them.[152] Their best efforts were not sufficient to restore State income deficiencies and thus levels of spending were significantly reduced.

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[148] Dunbar, Michigan, p. 636.

[149] Ibid. See also: Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971. Stason describes his role in the identification of new tax laws.

[150] University officials were apparently quick to recognize the significance of the amendment but were hopeful of retaining the mill tax until an alternative was enacted. See: Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971; and an untitled and undated administrative outline of procedures for responding to legislative actions in the Legislature of 1933, Ruthven Papers, Box 55, MHC.

The University of Michigan had approached the Legislature prepared to keep its operating costs at a bare minimum, but willing to fight against debilitating cutbacks. In a report to the Legislature in mid April President Ruthven summarized the University's position in reaffirming its willingness to economize so long as the essence of its educational mission was not threatened. If the institutional foundation was to be sacrificed, he thought the people of the State should make the decision.

> The State is at a crossroads. The times are hard for many reasons, one of which is the excessive tax burden borne by real estate. If the right course to better times is to be taken, it will be necessary for institutions, as well as individuals, to give genuine assistance to Government. This means, among other things, that the costs of education must be cut to the lowest point consistent with sound educational practice. It also means that in reducing costs of operating the University the people must decide if they wish to cripple an institution which they carefully built up for one hundred years, or simply to make every possible

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[151] Ortquist reports that unemployment in the State was running well above the twenty-six percent average for the nation during the period the Legislature was in session. Ortquist, Depression Politics, pp. 125-126.

[152] *Ibid.*, p. 245.

> saving that can be made without destroying the values of education.[153]

Although the University had indicated that it needed a minimum income from the State of $3,200,000, the final appropriations amounted to $2,779,271, the lowest appropriation since 1921. Increased tax collections accounted for restoration of income to a higher level in fiscal year 1934-35, but the need to find an acceptable substitute for the mill tax remained a problem and was once again confronted by the Legislature of 1935.

By the time the legislative session began in 1935, the President and the Regents were apparently resigned to the fact that a substitution for the mill tax was necessary.[154] Their position was explained by Ruthven in a series of letters to Senator Andrew Moore in which Ruthven indicated the hope that any new tax system would incorporate the continuing features of the mill tax laws in view of their critical importance to the University since 1867.[155]

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[153] "Report to the Legislature," April 17, 1933, Ruthven Papers, Box 55, MHC.

[154] In 1934 E. Blythe Stason, at the request of Ruthven, had prepared a detailed summary of the history of the mill tax and an analysis of the situation at hand, including the discussion of fundamental tax reform. From his analysis he concluded that the repeal of the mill tax should await a complete revision of the state tax system, which he thought would not occur without extensive research and debate, neither of which seemed probable in the next legislative session. "Memorandum Concerning the University Mill Tax Legislation," Ruthven Papers, Box 55, MHC.

[155] Letter, President Ruthven to Sen. Andrew L. Moore, February 23, 1934, Ruthven Papers, Box 51, MHC. Additional letters between Ruthven and Moore exist from September 1933 to February 1934 on the same topic. Ibid.

The Legislature of 1935 abolished the state property tax and repealed the University mill tax.[156] To provide operating funds for the University both houses rejected a plan for general biennial appropriations and adopted what would appear to have been a modification of the old mill tax.[157] The operational difference was that under the new plan money was drawn from the State's general fund, but the level of appropriation continued to be determined by an equalized assessed valuation of taxable property in the State.[158] This system of support for operating funds for the University remained in effect until 1947 when the Legislature required all State budgets to operate on an annual basis.[159]

World War II Period 1941-1945

The patterns which had been developing during the late nineteen thirties were significantly altered as the United States entered World War II and the energies of American people and institutions were focused on succeeding in the war effort. It is impossible in this study to do justice to an analysis of The University of Michigan during the war years 1941-1945. The task of such an analysis offers a waiting challenge to some future scholar.

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[156] University of Michigan, President's Report 1934-35, p. 1.

[157] Ibid.

[158] Public Acts of Michigan, 1935, No. 112, Sec. 1.

[159] Infra, p. 126.

Those records and manuscripts utilized in this study suggest that the University was substantially involved in the war effort, especially in the areas of officer training, specialized training, and basic research. The infusion of military personnel and military-sponsored programming resulted in an enormous increase of federal monies flowing to and through the University. The impact of federal funds continued through the immediate post-war period (1945-50), primarily in the form of payments to students eligible for veterans benefits (GI Bill).

The war period was in many ways an interruption for the University, but in one particular way it was also a disruptive period. Many of the faculty and staff of the University were called to serve in active and supportive roles in the war effort elsewhere. Many did not return and some returned with different interests and objectives. The effect was to disrupt the traditional process by which faculties meet their personnel needs. There is reason to suspect that some of the long range effects of this temporary disruption may still be present. To be sure, the short range effects were apparent as the demand for higher education in the post-war period outstripped the capacity of most existing resources and facilities.[160]

The State Legislature continued to support the

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[160] Infra, pp. 121-124.

University during the war period, supplying both operating and capital funds. Operating fund appropriations ranged from $4,475,000 in 1940-41 to $4,804,000 in 1944-45. In 1943-44 the Legislature made a special appropriation of $800,000 to the University for costs associated with the war effort.[161]

The war experience produced one set of events that bears directly on this study. By 1940 the personnel of the Board of Regents had changed and the departure of both Ralph Stone (1924-40) and Junius Beal (1908-40) marked the end of the terms of the experienced men who had served during the Board's zenith. Of the members of the Board of Regents in 1940 only Edmund Shields, a member of the inner-leadership circle of the Democratic Party in Michigan, had the personal stature and influence of his noted predecessors.

The Board of 1940 experienced the formation of an internal three-man coalition that sought to expand the role and power of the Regents in the day to day activities of the University.[162] This coalition was also greatly disturbed over an address by President Ruthven to the students at the time of the United States entry into the war. As a result, the coalition sought to force the resignation of the President, but were unable to gain sufficient support among the remaining Board members.[163] The group, however, continued to work as a bloc, caucusing prior to regular Board meetings and attempting to win external support for their positions.

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[161] See University of Michigan Financial Reports for years cited.

[162] Alexander G. Ruthven, Naturalist in Two Worlds: Random Recollections of a University President (Ann Arbor: The University of Michigan Press, 1963), pp. 38-39. See also: Van de Water, Peace Maker, Chap. VII.

In retrospect, the activities associated with this coalition suggest an unnecessary confusion regarding the division of responsibilities between the Regents and the campus administration. The behavior of the coalition arouses suspicion that the resurgence of two party competition in Michigan's political arena had a spillover effect on the selection of candidates for the Board. Ruthven adds credence to the suspicion by his comments regarding the elective process for the selection of Regents. He noted that in the nineteen forties the position increased in political importance and the quality of the Regents suffered as a result.

> For ten years as President I was satisfied that the Michigan method of selecting regents was a good one. Those familiar with the history of state politics in the next decade will understand why I changed my mind. Sufficient to say, that the position of regent became of political importance. Some men became candidates for nomination who had little interest in higher education, but were assets to their party. Persons who would have made good regents were often not nominated because they were not active party workers. As a consequence, the field of qualified candidates was narrowed.[164]

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[163] Ruthven, Naturalist in Two Worlds, p. 139-40.

[164] Ibid., p. 79.

The reverse of the situation of 1924-30 seems to have occurred in 1940-45. In the latter period a decline in the personal stature of the Board members coincided with an increase in politics on the Board and stability for the period was provided by the President.[165]

In the years following the end of the war a new set of conditions were present and they are identified and analyzed in the following section.

Post-war Period 1945-1950

Although activities on the campus relating to the war effort were very consuming, there were those who could foresee the problems the University would have to face following the war. As early as 1943 Dr. Ruthven expressed concern about potential post-war problems and made specific reference to them in his next annual report.[166] In the report he called attention to the predicted increase in enrollment following the war and the concomitant need for additional classroom, laboratory, service, and dormitory facilities.

> Without additional financial aid it will be impossible to rebuild an adequate staff and provide housing for the large numbers of students who will ask the aid of the University in continuing their preparation for life.[167]

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[165] For the contrast see: Supra, pp. 100-102.

[166] University of Michigan, President's Report 1943-44, p. 27.

[167] Ibid.

The Legislature of 1943 raised the appropriation for University operating funds to $4,804,000 and provided some additional capital funds, but neither were sufficient to satisfy the impending post-war needs. By early 1945, with the end of international hostilities in sight, the situation at the University had become critical. In an administrative memo prepared for the legislative session of 1945 the following were listed as the compelling reasons for the need of greatly increased appropriations for the University:

1. Increased enrollment--end of war surge plus normal expansion
2. Returning staff from war leave
3. Rising cost of living
4. Rising costs of services and equipment (esp. fuel)
5. Deferred maintenance
6. Deferred purchase of equipment
7. Deferred retirement plan for non-academic staff
8. Inflated wages caused by wartime demand[168]

A similar message was conveyed in a press release from the President's office later in the month appealing for attention to the University's urgent needs.

> Not only as an educator but also as a citizen I urgently request that the people of Michigan give immediate and careful attention to the needs of education, and to see that the University is not forced to shortchange the veterans, the young people of the State, and the workers and other adults through inability to offer adequate instruction.[169]

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[168] "Reasons for Increase in University Mill Tax Appropriation," January 3, 1945, Ruthven Papers, Box 55, MHC.

[169] Press release, January 22, 1945, Ruthven Papers, Box 55, MHC.

These documents reflect the dominant themes of the legislative requests put forth by the University in the immediate post-war period; the need for expanded facilities and increased operating funds to meet the multiplying demands for higher education among the young, returning veterans, the workers of the State, and an interested public. The messages also signify a change in strategy by President Ruthven and other University officials.[170] The willingness to appeal directly to the public for support in the Legislature was a further stride into the main political arena of the State, a step that had been taken hesitantly and only as a last resort in the past. The use of an appeal to the public was made increasingly in the immediate post-war period, culminating in a bold campaign for public support in the middle of the legislative session in 1949.

In 1946 two events occurred that held major implications for the University as well as the State. In February Governor Kelly called a special session of the Legislature to consider the aggravated post-war needs in the specific areas of building and capital improvements.

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[170] Further evidence appears in a series of telegrams from President Ruthven to prominent alumni soliciting support for the University appropriations bill prior to action by the House of Representatives. The telegrams read: "Will you enlist aid of your representative to pass without amendment University appropriations bill which has been unanimously passed by Senate. This bill provided full amount of mill tax. Your assistance will be appreciated." Telegrams, President Ruthven to prominent alumni, April 7, 1945, Ruthven Papers, Box 55, MHC.

In anticipation of this special session the Regents of the University adopted a resolution stating their needs and explaining that they were handicapped by an accumulated financial deficiency as well as the urgent current demands.

> The exigencies of an extended industrial depression and of war have imposed serious limitations upon this public support during the past twenty years. These limitations were unavoidable, and they were accepted as such by those charged with official responsibility for the welfare of the University. The inevitable result, however, has been an accumulated deficiency--both in terms of physical facilities and in terms of income for current operations. As a result, the University now finds itself seriously handicapped in its attempt to maintain the quality of some of its educational programs. The Regents now urge that consideration be given to the situation and that, in the forthcoming special session, provision be made for the most urgent and pressing needs.[171]

The shopping list presented to the special session by the Regents included fifteen items and had an estimated cost of $15,300,000.[172] The Governor was supportive of the University requests and the Legislature enacted what came to be known as the "Postwar Victory Building Program."[173] The program as passed by the Legislature had an estimated price tag of $8,000,000, somewhat less than requested, but the Regents were gratified by the result and made plans to implement the building program immediately.[174] There were good reasons for the Regents to be pleased with the response of the Legislature, but the pressures of the post-war enrollment surge were expanding rapidly and there was precious little time for celebration.[175]

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[171] Resolution is quoted in a letter from Ruthven describing the urgent needs of the University for expansion, improvements, and new buildings. Letter, President Ruthven to Members of the Legislature, January 7, 1946, Ruthven Papers, Box 55, MHC.

[172] University of Michigan, President's Report 1945-46, pp. 31-32. In an independent analysis of the University's needs R. Ray Baker, a staff writer for Booth Newspapers Inc., found that the $15,300,000 figure, if appropriated would only scratch the surface of the University needs that had been accumulating since the nineteen twenties. "Emergency Building Needs of the University of Michigan," 1946, Ruthven Papers, Box 55, MHC.

[173] Public Acts of Michigan, 1946, No. 1, section 2.

The post-war problems were in no way limited to educational institutions. State and local governments were caught in the squeeze of rising costs of materials and wages, compounded by an outdated revenue system. The fifteen mill property tax limitation created special hardships for local governmental units in the State. As a result, a constitutional amendment was drafted which proposed the diversion of portions of the state sales tax to local units of government. The proposed amendment was placed on the ballot by petition and adopted by the people in the election of 1946. As adopted, the amendment required that two-thirds of the total sales tax revenue be returned to school districts and other local governmental units.[176] Dunbar interpreted the adoption of this amendment as the beginning of an extended period of financial difficulty for the State of Michigan. As a result, subsequent Legislatures found it increasingly difficult, if not impossible, to meet the rising requests and demands for State services within a restrictive tax structure.[177] The implications for The University of Michigan and other State institutions are self-evident.

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[174] University of Michigan, Proceedings of the Board of Regents, Vol. July 1945--June 1948, February 22, 1946, p. 258. See also University of Michigan, President's Report 1945-46, pp. 32-33, which includes an explanation of PA No. 1, 1946.

[175] For example in January 1945 the University reported an enrollment of 9,295 and in the fall of 1946 a total of 18,484.

[176] Dunbar, Michigan, p. 637.

The regular session of the Legislature was convened on January 1, 1947, and faced a staggering array of fiscal problems. With respect to The University of Michigan, this Legislature made three decisions of great significance.

First, the Legislature agreed to cover in full the deficit of $1,250,000 encountered by the University during the previous biennium.[178] This was the first deficit reported by the University since 1919 and was attributed to an unexpected high rise in costs of goods and services.[179]

Secondly, in view of the problems of the unsettled economic outlook and the difficulties with sources of State revenue, the Legislature decided to place all State budgets on an annual schedule replacing the traditional biennial schedule.[180] The implications of this alteration were manifold for the University, including the necessity of assigning more staff and resources to the appropriations process. This new arrangement placed a severe limitation on planning for growth, development and improvements at the University.[181]

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[177] Ibid.

[178] Public Acts of Michigan, 1947, No. 18.

[179] University of Michigan, President's Report 1946-47, p. 35.

The Legislature of 1947 also significantly altered the form of the appropriations act for the University, departing from the compromise form adopted in 1935.[182] Resorting to a general bill for the various state educational institutions and activities,[183] the Legislature abandoned the following traditional features of University appropriations acts:

1. A separate act for The University of Michigan appropriations.
2. The use of a stated millage on assessed valuation as a measuring device.
3. A continuing clause in the act.[184]

Of the abandoned features, the third was of most significance, for it eliminated a substantial factor of confidence for the University and further placed the University at the mercy of each Legislature.

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[180] Ibid.

[181] Further analysis of these changes appears in Chapters IV and V.

[182] Supra, pp. 114-117.

[183] Public Acts of Michigan, 1947, No. 304.

[184] University of Michigan, President's Report 1946-47, p. 36.

The original mill tax law had incorporated a continuing clause, which provided for an appropriation for each year thereafter, unless action was taken by a subsequent Legislature. Although ceilings were attached to the appropriations bills in the nineteen twenties and the source of funds altered in 1935, the automatic continuance clause had survived and was regarded as a financial safeguard of singular importance for the University.[185] The appropriations act of 1947 was a fundamental change in the method of financial support for the University by the State Legislature and the effects of the changes remain in evidence.

Reactions by Regents and University officials to the action by the Legislature were apparently not stated publicly. During the term of the legislative session only two references appear in the official records of the Board of Regents and they were entirely routine.[186] Following the action of the Legislature no formal response was made by the Regents that would identify the interpretations they attached to the changes.

In reviewing the correspondence of the period (1945-50) and the major political events of the era, a result is the distinct impression that it was a period of considerable strain and tension. One of the events contributing to the difficulties of the time directly involved the University and its sponsorship of the Workers Education Service.

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[185] Ibid.

[186] University of Michigan, Proceedings of the Board of Regents, July 1945--June 1948, pp. 729, 800.

President Ruthven had visited England in the fall of 1943 and was impressed by an educational program among the workers and other adults which had been implemented there.[187] Upon returning to Ann Arbor, the President urged the faculty and Regents to give serious consideration to the University's responsibility to expand its educational services to a wider community.[188] The Legislature in 1944 funded an experimental program in adult education and the University was the dominant participating institution.

Among the programs sponsored by the University in adult education was the Workers Education Service (WES), which was designed to train the workers of Michigan to be more informed citizens through a series of courses, lectures, and discussions generally held near their homes or place of work.[189] The President's Report 1944-45 states that by the end of the first year approximately forty thousand individuals had been involved in the various options of the WES.[190] In the next two years the WES flourished (over 56,000 participants in 1947),[191] the University and President Ruthven were thrust into national leadership positions in adult education, and Congress was considering the WES as a model for national program development.[192] Van de Water reports that there were, however, signs of wariness on the part of business management toward the program, but the passage of a national program by Congress was imminent.[193]

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[187] Ruthven, Naturalist in Two Worlds, pp. 64-68.

[188] Van de Water's, Peace Maker, has a good section related to the WES and much of the background material contained herein was derived from it, pp. 172-85.

[189] Ibid., 174.

[190] University of Michigan, President's Report 1944-45, pp. 266-68.

The success of the WES and the hopes of a national adult education program were shattered by an incident in Detroit involving one of the WES courses. An individual employed as an investigator for the General Motors Corporation enrolled in a WES course in which labor pamphlets were used as teaching aids. One of the pamphlets contained a cartoon showing Charles E. Wilson, President of G.M., applauding as a bull gored workers.[194] Wilson and G.M. generated a cause celebre from the incident and mounted a campaign against the education programs. The University indicated its regret regarding the unfortunate incident, but the adversary campaign continued to gain momentum.[195]

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[191] University of Michigan, President's Report 1946-47, p. 385.

[192] Van de Water, Peace Maker, pp. 175-76.

[193] Ibid., p. 175.

[194] Van de Water states: "It was common knowledge that Wilson lavished money and affection on his prize bull." Ibid., p. 177.

[195] Ibid., pp. 178-79.

Van de Water cites several remaining questions regarding the demise of the Workers Education Service, nevertheless the program was effectively dismantled following the end of the spring term in 1948.[196] In recalling the incident Dr. Ruthven later wrote that the Regents had yielded to external pressures.

> I never knew whether the president of the company thought that the pamphlet insulted him or the bull. He became extremely angry and would listen to no explanations. With the prestige of his company to support him, he brought pressures to bear on regents through state legislators and Michigan representatives in Congress. This happened when the University had the divided Board, and for the first time in the history of the institution, to my knowledge, it yielded to the pressures. The director of the program was discharged and the courses abolished.[197]

The decision to scrap the WES was made by the Regents, probably against the advice of the senior administrative officers including the President.[198] The degree of external influence on the Regents regarding the decision remains open to speculation, but its presence would be difficult to dispute.

The case of the WES was widely publicized in the State and it is axiomatic that the University lost support and prestige in the episode. The case was based on apparent managerial antagonism to the program, the Legislature could hardly have been pleased with the row involving programs directly funded by the State, and the labor unions were no doubt disturbed with the abrupt withdrawal of the service. Thus, the episode of the WES illustrates the strain and tension of the period as well as identifies an occasion on which the Board of Regents appears to have been vulnerable to political pressure. It is also probable that the episode contributed elements of tension and mistrust to the relationship between the University and the Legislature.

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[196] Ibid., 179-80.

[197] Ruthven, Naturalist in Two Worlds, p. 41.

[198] Van de Water, Peace Maker, p. 182.

The Culmination of Transitions

The problems of the period came to a head in the legislative session of 1949 and the culmination revealed the extent to which *de facto* changes in the relationship between the Regents and the Legislature had developed in the previous three decades.

Actually, the caution signals began to flash in 1948 when the Budget Director recommended cuts of $7,764,000 from a total (operating and capital fund) University request of $21,483,500 and the Legislature appropriated the recommendations with minor revisions.[199] The University's position on this action was articulated by the Vice-President in charge of university relations when he reported that the level of appropriation would further delay the improvement of operating conditions.

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[199] University of Michigan, *President's Report 1947-48*, pp. 25-26.

> The $1,180,000 increase in the 1948-49 state appropriations over that for the preceeding year will be absorbed by added costs caused by a rising level and a larger student enrollment. It will not be possible, within the funds granted, to make any marked improvement in the emergency conditions under which the University has been operating since the end of the war. Faculty salaries and teacher-student ratios will have to remain near the present unsatisfactory levels for another year, and replacement of much obsolescent equipment will have to be deferred.[200]

In short, the University faced financial problems that would not be relieved by the appropriation levels set by the Legislature in 1948. The dependence on the State for relief was further emphasized by a memorandum from the University Controller to the President calling attention to updated figures to be taken into account in preparing the budget for the 1949 legislative session. Among the figures reported were two categories in which the levels of fees paid by the federal Veterans Administration had decreased more than fifty percent.[201] The implication was that anticipated federal income in the form of student fees and associated support would be dropping sharply as the post-war veteran students graduated in increasing numbers.

The legislative session of 1949 was an extended one and there was protracted debate on appropriation levels for institutions of higher education in the State. The final action on the appropriations bills for higher education did not occur until June 24, barely six days prior to the beginning of the new fiscal year. The University of Michigan requested $12,500,000 for operating funds in 1949-50 and a total of $23,275,000 for capital outlay from 1949-51.[202] The State Budget Office asked for a great amount of additional explanatory detail, which reportedly was furnished by the University.[203]

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[200] Ibid., p. 26.

[201] Memo, Wilbur K. Pierpont to President Ruthven et al., November 18, 1948, Ruthven Papers, Box 56, MHC.

The Governor's budget recommendations carried a total of $11,800,000 for the University prior to the legislative hearings.[204] After regular hearings and committee discussions, the House Ways and Means Committee reported out a bill calling for an appropriation of $10,986,000, a reduction of $1,514,000 from what University officials considered an operating minimum.[205] At this point the President and the Regents shifted strategy and embarked upon a public appeal for support in the Legislature for a higher appropriation. The intensity, timing, and clarity of this appeal were departures from past University strategy and brought the altered relationship into full public view.

A prelude to the public activities was the confidential report to the Regents by President Ruthven on

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[202] University of Michigan, President's Report 1948-49, p. 24.

[203] *Ibid.*, p. 25.

[204] *Ibid.*

[205] *Ibid.*

March 15. The report, a sobering analysis of the University's financial crisis began with an assertion that the University was receiving a comparatively low level of support from the State.

> This is a further report on the alarming trends apparent in the educational operations of The University of Michigan as a result of the low level of financial support now being received from the State as compared with the support of universities in other states.[206]

Ruthven documented declines in state support per student ($507 per in 1929 and $456 per in 1949, without calculating an adjustment of the value of the dollar), in state support per student for equipment and teaching aids, increases in the teacher-student ratio (1:13 in 1929 and 1:18 in 1949), a decline in the quality of library services, declines in adjusted faculty salaries, and other factors related to the basic health of the University. He thought these facts represented a dangerous trend for the University.

> The danger signals in these trends are all too plain. It is not easy to measure changes in educational performance of a University. Perhaps the best measures are the number and professional qualifications of the teaching staff, the facilities and equipment available, the level of salaries paid, and the continuing financial support accorded the institution. No one of these measures is conclusive, but when they all show signs of decline over so long a period as twenty years, the trend is unmistakable.[207]

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[206] "A Report to the Regents of the University of Michigan," from President A. G. Ruthven, March 15, 1949, Ruthven Papers, Box 56, MHC. A copy appears in Appendix.

[207] *Ibid*.

As further evidence of the depth of the support problems in Michigan, Ruthven cited the states of California, Florida, Illinois, and Oregon as having surpassed Michigan in support to higher education in the twenty year period and predicted that Indiana, Iowa, Minnesota, Ohio, and Wisconsin were about to move ahead of Michigan's level of support.[208] The report also noted that institutions in many of these states were increasingly making offers to University of Michigan faculty that were too tantalizing to continue to reject and a major loss of experienced faculty was threatened.

The President's report was discussed at the next meeting of the Regents on March 26 and the following action was recorded:

> . . . The executive officers were instructed to take the necessary steps which may seem advisable to inform prominent alumni of the state and alumni presidents of this situation and to bring the matter directly to the attention of the Senate Finance Committee and the House Ways and Means Committee of the Legislature.[209]

The formal action by the Regents was not nearly as forceful as the President may have hoped for, but it did clearly provide the opportunity for the administrative officers to act in the situation and they interpreted the authority liberally. The report was immediately forwarded to all members of the Legislature with a covering letter from the Regents.[210]

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[208] Ibid.

[209] University of Michigan, Proceedings of the Board of Regents, Vol. July 1948--June 1951, p. 283.

The President and his staff also took their case to the public. Dr. Ruthven invited some sixty alumni and friends of the University, including numerous editors and publishers, to a special meeting at which he revealed the contents of his report to the Regents and outlined the urgent needs of the University. The meeting received front page coverage in many of the newspapers of the State, outlining in substantial detail the analyses of President Ruthven and Vice-President Niehuss regarding the plight of the University.[211]

The immediate effect of the meeting was to focus greater public attention on the financial problems of the University with the possibility of increased support in the Legislature for those attempting to stave off extensive reductions in appropriations from the amount requested by the University. However the long-range implications of the action by the President are of greater significance to this study.

Although the meeting in April, 1949, was not the first occasion on which a University official publicly aired the University's support problems,[212] it did mark a new level of candor and clarity with regard to the fiscal problems faced by the University and called attention to the extent to which the University was dependent on the State Legislature for relief of the pressure.

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[210] "A Message to the Honorable Members of the Legislature, State of Michigan from the Board of Regents of the University of Michigan," Ruthven Papers, Box 56, MHC.

[211] Examples of coverage: "'M' Pleads for More State Aid," Detroit News, April 2, 1949, p. 1; "U-M Pleads for Restoration of Budget Cut," Detroit Free Press, April 3, 1949, p. 9. Additional materials related to the meeting, including correspondence following the meeting is available in the Ruthven Papers, Box 56, MHC.

On previous occasions when University appropriations bills encountered problems in committee or debate in either house, the Regents and the President relied heavily on the political influence and trading ability of supportive legislators and friendly political operatives. The Regents and President also did some troubleshooting themselves, seeking from time to time the active support and influence of the Governor. However, these methods of attempting to influence legislative decisions were carried on with obvious concern for political nicities and in nearly all cases care was taken to prevent the eruption of a public storm. The meeting with the editors and influential alumni in April, 1949, was a significant departure from the strategies employed by University officials in the past, primarily due to its direct attempt to generate press and public support for the University's appropriation bills.

The meeting, held on the campus in Ann Arbor, was conducted by President Ruthven with major contributions by

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[212] Recall the addresses of Presidents Burton and Little and the statements of Regents Murfin, Stone, and Sawyer.

Vice-President Niehuss. It illustrates the growing dominance of the University administrative staff in the fiscal relationship with the State. The group was not addressed by any of the Regents and the press accounts of the meeting did not even mention their presence or solicit their comments ex post facto.[213] The comment by former Vice-President and Regent Robert P. Briggs that the President was considered the representative of the Regents and the officer charged with maintaining the relations with the Legislature further clarifies the organizational attitude in 1949.[214]

An analysis of the significance of the gathering in Ann Arbor should not assume that the President and his staff utilized the opportunity to snipe at the Legislature or any individual legislators. The President made this clear in his report when he referred to the underlying causes of the financial problems of the State.

> I am making this report to you to emphasize the absolute necessity for halting and reversing the downward trend of financial support which is the cause of the University's present critical position. In so doing I want to make it clear that no criticism is intended of the State officials or legislators whose responsibility it has been to make

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[213] Documents relating to the planning for the meeting provide evidence that Regents were invited to attend and participate, but most indicated they would not attend and others gave only tentative assurance of their presence. No list of those actually in attendance was located nor was any evidence of regental misgivings regarding the meeting. Ruthven Papers, Box 56, MHC.

[214] Interview, Robert P. Briggs and David B. Laird Jr., May 25, 1971.

> provision for the University's support. These men have not been responsible for the depression, or the war, or the surging price level, or the tremendously increased enrollments which have made the task of adequate financial support such a large one. Neither are they responsible for Michigan's sales tax diversion which has so complicated the financial problems of the State.
>
> However, the fact that the current financial situation of the University and the State can be explained does not lessen the gravity of the University's needs nor the necessity for prompt and bold action in meeting them.[215]

Thus the meeting of April 2 appears to have been an effort by the President to lay before the public a candid appraisal of the financial crisis faced by the University within the context of the difficulties encountered by the State government operating under a restrictive revenue structure. The risks of such a meeting must have high, for antagonism from either the general public or the Legislature could have further jeopardized University appropriations. Ruthven and his staff apparently judged the need of educating the public to the challenges to be tackled worth the risks.

No immediate reaction to the April 2 meeting was evident in the forthcoming legislative decisions. In reporting to the Regents at their April 30 meeting the Vice-President in charge of legislative relations was not encouraging about the final outcome of University requests to the Legislature.[216]

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[215] "A Report to the Regents . . . ," March 15, 1949, Ruthven Papers, Box 56, MHC.

[216] University of Michigan, Proceedings of the Board of Regents, Vol. July 1948--June 1951, p. 317.

On May 3, 1949, President Ruthven issued a statement expressing "grave concern" for the $10,986,315 figure proposed by the House Ways and Means Committee as it represented $1,514,000 below the minimum needs of the University.[217] He indicated that the only recourse for the University in the event that figure was adopted would be to decrease enrollment and increase student fees. He asserted the point had been reached "where emergency expedients threaten to undermine the standards, strength, and stability of the whole educational program."[218] He argued that State funds appropriated to the University should be considered an investment rather than an expenditure and that a decrease in the educational service to the State would have a direct impact on the life of the State.[219] It appears as though the President was willing to pull out all the stops in an attempt to rescue an appropriations level requested by the University and to prepare the public for the consequences of a failure in the effort.

A further attempt to influence the fate of appropriations for higher education was made by Ruthven in a combined effort with President John A. Hannah of Michigan State College. In a joint statement issued on May 16, 1949, the two presidents declared the issue to be of "greater importance than the individual interests" of either institution.[220] They cited the erosion of quality faculty by the attraction to other state universities as a threat to the long-range quality of educational service to the residents of Michigan.

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[217] Press release, May 3, 1949, by President Ruthven, Ruthven Papers, Box 56, MHC.

[218] Ibid.

[219] Ibid.

The Presidents also requested a special hearing before the Senate Finance Committee as it began deliberations on the appropriations bills and were granted the opportunity to once more plead their case. The Senate committee was more sympathetic and sponsored an amended bill which passed the Senate with a total of $12,000,000 set for the University. However, the House would not accept the higher figure and it took a month of work by conference committee to reach a compromise. On June 23 both houses passed an appropriation of $11,436,315 for the University, some $1,063,000 less than requested.[221]

With the events associated with the Legislature of 1949 the relationship between the University and the State had clearly entered into a new pattern. The new pattern was characterized by an annual process of bargaining and compromise on University appropriations, a more involved and informed public, greater involvement of administrative staff, decreased financial security for the University, and an increased dependence on State funds for the general operation of the University. The implications of this new pattern are discussed in detail in the following chapter.

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[220] Press release, May 16, 1949, by President A. G. Ruthven and President John A. Hannah, Ruthven Papers, Box 56, MHC.

[221] University of Michigan, President's Report 1948-49, p. 25.

Summary--The University in Transition

From 1920 to 1950 The University of Michigan was an institution in transition. During the period the University experienced the uncertainties and difficulties of three presidential successions. In each case the change at the helm left its mark on the institution as well as contributing to its problems.

The retirement of Hutchins, although well anticipated, was difficult due to the need to find a successor who could command a similar level of confidence and respect. The Regents had relied heavily on Hutchins for leadership and were thus hopeful that the dynamic and personable Burton would continue the high level of service in the presidency. The University community was denied the full measure of Burton's talents by his extended illness and untimely death. The Regents had confidence in the experience and resourcefulness of the fiery C. C. Little, but his lack of political finesse and the intensity of his unpopular views rendered his stay in the President's office unexpectedly short. The members of the Board of Regents provided continuity and stabilizing leadership during this period of difficulty while they sought a President who could again lead the academic community. The selection of Ruthven from within the University ranks was calculated to modulate the discordant voices among the faculty and stabilize external relations.

During the period the Regents had encountered several substantive challenges to the Board's power and authority as derived from the Constitution of the State. They were also forced to accept changes in the basis and process of support for the University, changes that required alterations in long established methods of planning and budgeting. The uses of executive vetoes and legislative reductions on University appropriations bills required additional adjustments.

The State itself was changing dramatically during the period and State government was not immune to changing conditions and increased demands. A reorganization of the executive branch of the State government in the early nineteen twenties was designed to add strength and efficiency to the many departments and agencies responsible for the delivery of services to the public. The Governor's activity and influence increased markedly during the same period. The Governor's office became a political force to be reckoned with in the legislative process, especially in fiscal matters.

The revitalization of two party competition in Michigan in the early nineteen thirties marked the beginning of nearly two decades of intensive debates and partisan activity at most levels of state government.

The increased interest and demand for higher education in the United States spurred a general pattern of growth and development of institutions in Michigan that was retarded only during the Depression and World War II.[222]

This pattern increased the competition for students and faculty as well as the financial support from the Legislature of the State.

A combination of all of these transitional factors suggest that from 1920 to 1950 the context in which the relationship between the Regents and Legislature existed had been altered significantly. There are implications that the altered context had, in fact, contributed to a changing relationship. The following chapters are designed to investigate and analyze the modifications in that historic relationship.

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[222] Willis F. Dunbar, The Michigan Record in Higher Education (Detroit: Wayne State University Press, 1963).

CHAPTER IV

OPERATIONAL EFFECTS OF THE CHANGING RELATIONSHIP

The events and modifications of the relationship between the Regents and the Legislature from 1920 to 1950 did not occur within a vacuum. In Michigan, the dynamics of rapid increases in population and industrial expansion were especially active and had altered the basic character of the State.[1]

Throughout the period, a high level of commitment to higher education was maintained in the United States even though it was severely tested by wide fluctuations in economic and social conditions. The State of Michigan was not exempt from these tests and the history of higher education in the State reflects a continuing commitment by the people of the State.[2]

Chapter III traced the developments in the relationship between The University of Michigan and the State from 1920 to 1950. During that interval, the context of the relationship was altered by numerous internal and external factors. There are also implications of basic changes in the form of the interaction. The present chapter analyzes the operational effects of these changes with special attention focused on the Regents and the Legislature.

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[1] Dunbar, Michigan, pp. 551-631.

[2] Dunbar, Michigan Record in Higher Education.

Among the alterations that merit identification and amplification are changes in the process and substance of the interaction between the Legislatures and the Regents. Note must also be made of the fact that from 1920 to 1950 no modifications were made in the Constitution of Michigan that pertained to the authority of either the Regents or the Legislature with regard to the University. The increasing role of the administrative staff is of interest for it appears to have been accompanied by a decrease in the activity of the Regents in the administrative details of the University. Considerable attention must also be paid to the increased role of the State Executive and its relationship to a more complex State budgetary process. The importance of higher education in Michigan and the development of additional institutions must also be taken into account.

In sum, the relationships between the University and the State and the Regents and the Legislatures were markedly different in 1950 than they were in 1920. The differences held important implications for the future of The University of Michigan.

Changes in Process and Substance

Viewing the interaction of the two constitutional entities, the Regents and the Legislature, over the thirty year span (1920-50), leads to the conclusion that modifications in both the process (procedure) and substance (subject) of their relationship occurred within that time period The descriptions that follow identify the modifications that occurred in these interactions.

In Chapter III reference was made to the relative simplicity of the biennial contacts between the Regents of the University and the Legislatures of the State.[3] Although operating internally on an annual budget, the University needed to interact with the Legislature only every two years, and then it was not required to do so unless the Regents were requesting an increase in the rate of the mill tax and/or capital fund appropriations for buildings and equipment. When it was necessary to present these requests to the Legislature, they were made initially by the President with some of the Regents and carried through the legislative process by a supportive legislator.

In 1950 the appeal to the Legislature was substantially different, largely as a result of changes in the State's budgetary system dating to the nineteen twenties, alterations in the method of support for the University enacted in 1933, 1935, and 1947, and the transfer to annual State budgets in 1947.[4] There were also additional stages in the process which were to a great extent products of increased budget analysis in the State Executive branch and more intensive committee activity in the Legislature. The budget requests by the University, acted upon by the Regents and carried through the legislative process by the administrative staff, followed a lengthy path beginning with the executive Bureau of the Budget where they were analyzed according to the full range of State needs and services. The requests were then incorporated into the Governor's recommended budget and forwarded to the Legislature where it received hearings and consideration before relevant committees of both the House and the Senate and acted upon by the membership of both houses. The budget was returned to the Governor in the form of an appropriations bill for final scrutiny and signature. At each stage of this prolonged process University officials were expected to be available to answer questions, provide explanatory data, justify estimates, and satisfy the potential curiosity or bias of the Governor, legislators, and their staffs. The process in 1950 was lengthy, complex, expensive (in terms of manpower), and at times partisan. These characteristics were very different from the relatively short, simple, and nonpartisan procedure operative in 1920.

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[3] Supra, pp. 61-62. This was also substantiated in an interview with E. Blythe Stason. Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971.

[4] Supra, Chapter III.

In addition, the length of the process and the procedural complexities combined to increase the need and involvement of administrative staffs both in the University and the Legislature.[5]

The substantive changes appear to have been equally dramatic in the thirty year span. One has only to compare the State appropriation of operating funds to the University in 1920 ($1,818,750) with that of 1950 ($11,436,315) to arrive at the tentative conclusion that considerable changes had occurred at some point within those years. However, the fact of an increase in the sum of the appropriation (especially without accounting for changes in dollar value, prices, costs per student, etc.) is not sufficient evidence to warrant definite conclusions.

The most important substantive modifications that took place in the three decades were those in the system under which revenue for the support of the University was identified and allocated. Under the mill tax system, operative in 1920, revenues for the support of the University were determined by a statewide tax levied at a rate established by the Legislature on the assessed valuation of all real property of the State. The State served as the collection agent and placed monies collected directly in the University accounts. Unless specifically altered by the Legislature, the system continued due to a perpetuating clause in the mill tax law. As a result of alterations in that system in 1933 and 1935 and its final abandonment in 1947, the Legislature viewed the University needs and requests in competition with other State agencies for allocations from revenues in the State's general fund.[6] Under this system appropriation levels required annual justification and were adjusted according to total anticipated State revenues. The altered system offered the potential of much higher appropriations, but involved far less security for the University, as well as significant increases in time and effort spent in the annual request-appropriations cycle.

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[5] Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971.

An important byproduct of the altered system of support was the subsequent demand by the Executive branch and the Legislature for more data and greater detail in the University's annual budget requests. It is evident that such descriptive data increased the potential of both the State Executive and the Legislature to encroach upon the power and authority of the Regents and the faculty to control the functions and direction of the University.[7]

The factor of increased competition for State funds faced by the University deserves emphasis. Accelerating demands for State services and the expansion of the other state-supported colleges and universities were the primary sources of the growing competition. The situation was compounded by the failure of the State government to enact the basic fiscal reform that had been called for in the nineteen thirties. In many respects it was remarkable that the level of State funding was maintained as high as it was, given the outdated system by which the funds were obtained and the competition for the limited resources available.[8]

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[6] Supra, pp. 111-114, 127-128.

[7] The scholar who undertakes a study of this area for 1950-70 for Michigan will find an interesting challenge and much evidence to analyze. The task will be difficult until the papers of the Governors, University Presidents, Regents, and Legislative leaders are open for research.

Thus it seems apparent that in many respects the nature of the interaction between the Regents and the Legislature was altered from 1920-1950. Not all of the changes could be classified as major, but collectively they represent a significant modification of what had at one time been a simple and cordial biennial exchange. The altered relationship in 1950 was more formal, more complex, more partisan, and dependent to a greater extent on the overall State balance of needs and resources.

Constitutional and Statutory Status

From 1920 to 1950 no modifications were made of the sections of the Constitution of Michigan which define the powers and responsibilities of the Board of Regents of The University of Michigan. Thus the changes in the relationship between the Regents and the Legislature must be viewed within the context of this constitutional stability. This, of course, does not preclude the possibility of alterations in the de facto status of the Regents.[9]

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[8] Dunbar, Michigan Record in Higher Education, pp. 328-329, 338-46.

There were two Constitutional amendments adopted by the people of Michigan which had indirect effects upon The University of Michigan and its fiscal relations with the State. In November, 1932, an amendment was adopted by a slim majority which limited the maximum State property tax levy to fifteen mills.[10] The requirements of this amendment eventually caused the Legislature to abandon the historical mill tax for the support of the University and was the first step toward the placement of University requests in the general State budget.[11]

An amendment adopted in November, 1946, diverted revenues from the State sales tax to local school districts and governmental units.[12] The amendment placed severe limitations on the State Legislature's ability to meet the fiscal needs of State agencies, including the institutions of higher education.[13] The problems created by this situation led directly to the placement of all State budgets on an annual basis in 1947.

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[9] The de facto status of the Regents is analyzed in Chapter V, infra, pp. 185-188.

[10] Constitution of the State of Michigan, Article X, section 21. This section was later modified in an amendment adopted November 2, 1948.

[11] Supra, p. 114.

[12] Constitution of the State of Michigan, Article X, section 23.

[13] Supra, pp. 125-126.

There were also statutory changes which were directly and indirectly significant for The University of Michigan. Beginning with the ceiling placed on mill tax revenues in 1923 and continuing through the repeal of the mill tax act in 1935, the foundation of financial support for the University was frequently altered and finally fundamentally changed due to factors not related directly to the University.[14] A compromise bill enacted in 1935 retained some of the features of the old mill tax law, including the continuing clause, but it was abandoned in 1947 when the University appropriations were incorporated into the general State appropriations bills.[15] The impact of these changes was to place the University's request for support for operating expenses increasingly in the central hopper from which all State appropriations decisions were made, based on the current balance among economic and political realities and established priorities. There are varying opinions on the degree of this transition, but few would argue with the conclusion that the process substantially decreased the year to year financial security of the University and made planning functions at the University more difficult.[16]

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[14] *Supra*, pp. 77-96, 102-117.

[15] *Supra*, pp. 127-128.

[16] Interviews, E. Blythe Stason and David B. Laird Jr., May 6, 1971; and Robert P. Briggs and David B. Laird Jr., May 25, 1971.

In sum, for various reasons the Legislatures from 1923 to 1947 found it necessary to alter the method by which they performed their constitutional duty to provide financial support for The University of Michigan. The alterations generally reflected the economic conditions of the State and Nation as well as the uncertain revenue system of the State. The changes were rarely directly beneficial for the University and generally only reluctantly accepted by the Regents. In the two decades following 1950 the Legislature was awakened to the potential powers resident in the appropriations process and in some cases exploited the potential.[17]

Increased Role of University Administrators

The President of The University of Michigan has been the presiding officer and ex officio member of the Board of Regents since 1850. As such he has historically been responsible to the Regents for the administration of the University, but has also acted as the representative of the Regents in relations with the various constituencies of the University. The precise definition of these roles has varied with the personalities of the Presidents, the composition of the Board, and the nature of the relationship with constituents. While there was no radical change in this pattern from 1920-1950, there were some differences that did appear which should be mentioned.

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[17] The topic of statutory conditions attached to appropriations bills deserves intensive research. See, *infra*, pp. 192-193.

Accompanying the changes in the substance and process of the relationship with the Legislature from 19_0 to 1950 was an increased work load for those charged with the preparation and articulation of the University's budget requests for financial support from the Legislature. The quantity of the work involved and its increasing complexity made the development of a specialized staff in that area a necessity. The appointment of a University Vice-President with primary responsibility for legislative relations in 1944[18] was the culmination of a trend which probably had its beginning in the elaborate plans and activities comprising the "Legislative Programs" of President Burton.[19]

The Legislature's decision in 1947 to place all State functions on an annual budget-appropriations cycle further added to the burden carried by the business and public relations staffs of the University, but the time had long since passed when a Vice-President, the President, and a couple of Regents could travel to Lansing with a few typewritten pages containing a budget outline and rationale, returning the same day having concluded the University's appeal to the Legislature. The preparation of a moderately detailed budget estimate with justifications for increased spending had become an increasingly consuming procedure since the first ceiling was placed on mill tax revenues in 1923.[20] Succeeding years and more complex fiscal problems for the State resulted in increasing the time spent and the problems faced by the University in the procedure. By the post-war years a rapidly growing administrative staff was handling most of the details of the procedure with the President overseeing their efforts and the Regents consulted for major decisions and the ceremonial aspects of the process. The Regents also acted as troubleshooters on occasion, but the day to day contacts with legislative members and committee and agency staffs were primarily the responsibility of a Vice-President and his staff.[21]

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[18] University of Michigan, Proceedings of the Board of Regents, Vol. July 1942–June 1945, p. 793.

[19] Supra, pp. 64-66.

Thus, the general policy decisions regarding the relationship with the Legislature remained the prerogative of the President of the University in consultation with the Board of Regents. However, during the period 1920 to 1950, the increased frequency and complexity of the interaction was absorbed by a concomitant growth in administrative staff and time consumed in activities associated with the budget-appropriations cycle.

Emergence of the State Executive

Among the many events that occurred between 1920 and 1950 which had implications for the relationship between the Regents and the Legislatures, none was potentially more important than the emergence of the State Executive as a political and fiscal power in the State. By 1950 the Governor of Michigan was in a position of consolidated power and influence and thus a major impact on virtually all state-supported activities.

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[20] Supra, p. 77

[21] Interview, Robert P. Briggs and David B. Laird Jr., May 25, 1971.

The events in Michigan were consistent with a national trend, which began in the early years of the twentieth century. One manifestation of the trend was the growth of the activity and power of the state executive in the legislative process. A second was the development of the political power of the state executive. In an analysis of this pattern, the role of the governor as a significant leader in state government was found to be increased.[22]

> The preparation and initiation of legislation is no longer the exclusive prerogative of the legislature itself, though final decision rests with that body. The last two generations have witnessed a remarkable increase in the role of the chief executive and the administrative agencies in the state legislative process. Early in the twentieth century the governor emerged as the state-wide representative and spokesman of the people, the majority political or party leader, and the chief legislator. The state administration, as it has subsequently expanded, has become a principal source of legislative proposals. In addition, the increasingly technical character of a constantly growing volume of social and economic legislation has necessitated extensive delegations of quaisi-legislative rule-making powers to administrative authorities. Finally, since the decade of the twenties considerable progress has been made by some states in the consolidation and integration of state administrative

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[22] Belle Zeller (ed.), American State Legislatures (New York: Thomas Crowell Company, 1954), pp. 163-71.

> organization under the governor, thus his administrative control, and in consequence, his importance as a political and legislative leader, has been greatly augmented.[23]

These developments held important implications for public colleges and universities throughout the nation, especially as they affected the appropriations procedures through which the institutions gained support for operating costs. In a study conducted after governmental reorganization had occurred in most states, McNeely found, as one of the most significant changes for state-supported higher education, a shift in power toward the state executive branch.[24] This shift was generally the product of the activity of the governor's office or the executive budget director in the area of budget formulation and the resultant weight carried by the governor's recommended budget in the legislative process.

To be sure, the manifestations varied from state to state and in some states among the various institutions themselves. Nevertheless, the trends were national in scope and prompted Moos and Rourke to conclude that the state governor had emerged as the most commanding figure in university-state relations.

> The state governor today is the most prominent single official in a college's relation to state government. Not only does the governor lead the way in shaping the general fiscal policies that influence

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[23] Ibid., p. 163.

[24] United States Office of Education, Fiscal Control over State Higher Education, p. 11.

> higher education, but also his power to appoint governing board members, his role in many states as an ex officio board member, and the resources of his personal staff all combine to place him in a commanding position to affect the activities of state colleges and universities.[25]

In Michigan the consolidation of power and influence in the State Executive gained impetus with the partial reorganization initiated under Governor Groesbeck in 1921.[26] Sweeping reorganization in state government, however, did not occur in Michigan between 1920 and 1950. Thus, the governors faced the challenge of providing leadership without the established power to implement their programs.[27] Nevertheless, the governors of Michigan became increasingly active in the shaping of broad general questions of public policy and frequently established themselves as a power in the Legislature.[28]

The governors from Groesbeck on have also been increasingly active in the fiscal affairs of the State. In a thorough analysis of the role of Michigan governors in the appropriations process, Perkins concluded that the State executive had gained power and influence in the legislative process which was enhanced by his continuing control over the procedure for emergency appropriations.

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[25] Moos and Rourke, The Campus and the State, p. 234.

[26] Dunbar, Michigan, p. 545.

[27] The governors lacked extensive administrative powers due to the elective status of several other state executive positions. John A. Perkins, The Role of the Governor of Michigan in the Enactment of Appropriations (Ann Arbor: University of Michigan Press, 1943), pp. 2-3.

[28] Ibid., p. 2.

> It is in the matter of appropriation of funds that the governor has been given his broadest powers in connection with the legislative process. The executive budget and the item veto have enlarged the governors legal authority in this field of legislation. In Michigan the veto has been buttressed at times by giving the executive the additional authority to cut appropriations to keep expenditures within revenues; and for twenty years he has also been a controlling factor in emergency appropriations. The governor has become so involved in the legislative process of appropriations in Michigan that he is often held politically responsible for the entire financial condition of the state. It is a question, however, whether or not the chief executive in Michigan has had enough power conferred upon him to hold him accountable for this.[29]

Evidence of the applicability of Perkins' analysis to University appropriations and relations between the Regents and the State is plentiful in Chapter III of this study. This evidence includes the attempt to exert authority over State expenditures in higher education by the State Administrative Board (chaired by the Governor) in 1921.[30] Governor Groesbeck's request that his highway program receive priority consideration by the Legislature of 1925 illustrates considerable involvement in the legislative process by the executive.[31] The rising potential power of the Governor to influence the ultimate appropriations was apparent in the concern of some Regents regarding the possible antagonism that would be created by the invitation to President Coolidge to speak at the University's Commencement[32] and Senator Sink's analysis that the Governor held the balance of influence over the final legislative determination of the University's appropriation bill in 1925.[33] The attempt by the SAB to delay the release of appropriated funds in 1925 was a further demonstration of the increased activity of the Executive in the fiscal affairs of the State.[34]

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[29] Ibid., p. 3.

[30] Supra, pp. 71-72.

[31] Supra, p. 80, n. 49.

Governor Green's use of the first executive veto on University appropriation bills was clear evidence of the increased power of the executive in financial matters[35] and was as significant as his attempt to influence the Legislature to support a constitutional amendment altering the status and authority of the Board of Regents.[36] Green's application of purely political considerations in the appointment of a replacement for Regent Hanchett is suggestive of the extensive political power then vested in the office of Governor.[37]

Subsequent events which support Perkin's analysis include Governor Brucker's call for cuts in University appropriations and the elimination of the mill tax in 1933,[38] action by the Regents to limit spending out of fear of the Governor's retaliation,[39] Governor Kelly's leadership in asserting the need for a post-war building program at the University,[40] and the significant increase in the activity of the executive budget bureau accompanied by its constant demand for greater detail in the University's annual requests for State support.[41]

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[32] Supra, p. 82.

[33] Supra, p. 82.

[34] Supra, p. 85

[35] Supra, pp. 87-88.

[36] Supra, p. 89.

[37] Supra, p. 96.

The inescapable conclusion is that from 1920 to 1950 the Governor and executive agencies gained substantial power and influence in the legislative process in Michigan as it pertained to appropriations for The University of Michigan. These increases were gained through the application of both constitutional and extraconstitutional powers, but the most effective controls applied during the period were those drawn from the latter category.[42] The governor's influence in legislative committees, his sway with legislative leaders, his access to extensive patronage, his role as party leader, and his representation of statewide public opinion combine to provide a reservoir of power to affect the legislative process.[43]

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[38] Supra, p. 105.

[39] Supra, p. 107.

[40] Supra, p. 124.

[41] Supra, p. 134.

[42] Perkins, The Role of the Governor, p. 159.

[43] Ibid., p. 138.

Budget-Appropriation Cycle and Competition

The full effects of an annual budget-appropriation cycle[44] were not felt by The University of Michigan until 1947. From 1921 to 1947 most agencies and institutions of the State of Michigan were operated on a biennial funding cycle with the State Administrative Board acting as the central coordinating body for State fiscal policy. The purpose of employing standard fiscal policies was to attempt to maintain a degree of coherence and stability in State services during a period when the demands on State resources were increasing at unprecedented rates. One benefit of a coordinated fiscal system is the identification of imbalance between demands for services and available resources. When such an imbalance occurs, the service agencies enter direct competition against each other for the apportionment of resources according to established priorities.

This effect was apparent in Michigan to a pronounced degree during the economic depression in the early nineteen thirties and again in the immediate post-World War II years. During both periods, The University of Michigan was significantly affected by the restraints on legislative appropriations brought about by the competition for operating funds.

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[44] Budget-appropriation cycle is used here to describe the periodic process by which an agency or institution presents a budget request, which is acted upon by the funding body (Legislature) in the form of appropriations. Although not mentioned specifically, the operation of a post audit as a form of accountability for appropriated funds is assumed to be in effect.

Due to the nature of the mill tax system of support, which was operative from 1867 to 1933, the University was not directly affected by the reorganization and reforms in State fiscal operations from 1921 to 1933. The changes in the mill tax law in 1933 and 1935, however, drew the University closer to the State's main financial arena by the use of revenues from a general sales tax to support University operating costs.[45] Some of the features of the mill tax law were retained, though, and thus supported the contention that the University's stature and requests were unique among the various State agencies and institutions. The elimination of the last vestiges of the mill tax and the placement of all State agencies and institutions on an annual budget-appropriations schedule in 1947 thrust the University into the main general fund arena and thus into the hectic competition for the limited resources available for all State services.

Participation in the main arena brought with it the need for more preparation, more convincing presentation of requests, more political finesse, and in general the requirement of facing stiff competition for funds. The potential dangers in fluctuations in appropriations due to general economic conditions or special political conditions were also more prevalent. In addition to these complexities were the inherent problems of the legislative process and the special problems of the Michigan Legislature. Due in part to an outdated system of taxation and to the intense party rivalries that were present from 1932, the legislative process in Michigan was generally slow, difficult and extremely uncertain. Reflecting on the effects of these factors, one Michigan Senator raised doubts about the wisdom of appropriations acts passed under the pressures of legislative log-jams.

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[45] Supra, pp. 114-117.

> In my 10 years in the Senate I have never seen appropriations bills passed before the last hour of the last day of the session. During the early part of the session a great deal of time is always wasted because there are no rules requiring the prompt reporting and consideration of the various bills. The result, of course, is the hurried passage of hundreds of measures without adequate study in an atmosphere of confusion and pressure. How then can state educational institutions expect the best results from appropriations made under such adverse conditions?[46]

The growth of other State-assisted institutions of higher education in Michigan provided an additional factor of competition for the University and placed the needs of higher education in a position of greater visibility for bureaucrats, legislators, governors, and the general public.[47] As competition for funds increased, however,

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[46] Address by Senator James Milliken of Michigan, Association of Governing Boards of State Universities and Allied Institutions, Proceedings, Twenty-seventh Annual Meeting, pp. 42-43.

[47] John W. Lederle, "The State and Higher Education: A Report from Michigan," testimony delivered before the Committee on Government and Higher Education, March 1, 1958, reprinted in full in Moos and Rourke, The Campus and the State, pp. 325-38.

State expenditures for higher education did not increase proportionally.[48] One observer of the process attributed this gap in support to the inclination of legislators to be supportive of building programs and increased enrollments, but reluctant to appropriate operating funds to meet the costs of increased size.

> Imposing buildings flatter man, large enrollments delight him, mounting budgets excite him. This is naturally true of that mythical creature, the typical state legislator, until the tax bill has to be voted. Then he begins to ask questions, to express doubts. Just what is this business of higher education to which the state finds itself so heavily committed? And how shall the means of its adequate support be provided?[49]

The characterization was not drawn specifically from Michigan, but there is reason to suspect that it might be an apt description of some of the participants and legislative actions in Michigan since 1920. One corollary of the description which was operative in Michigan, especially in the post-war era, was the interest by constituents and their representatives in the development of existing institutions and the establishment of new institutions in various areas of the State. The post-war growth of institutions of higher education in the State attests to the success of these advocates in convincing the Legislature and the Executive of the need for both an increase and diversification of public-supported higher education in Michigan.[50]

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[48] Allen and Axt, State Public Finance and State Institutions on Higher Education, p. 75.

[49] Ibid., Foreword, p. vi.

The increase in the number of institutions and the expansion of existing ones intensified the competition for State appropriations.[51] Among the consequences of the competition were the development of unhealthy rivalries, increased lobbying efforts by institutions, some unfavorable press, and ammunition for those advocating a formal coordinating system for higher education in the State. Those favoring a coordinated system argued that it would reduce the public bickering among institutions, provide for a united appeal to the Legislature, and lend a degree of coherence to planning and development among the institutions, which was increasingly difficult with each fending for itself.[52]

The advocates for a coordinated system have not succeeded in their efforts and apparently have not been able to blunt the argument that coordination is not worth the anticipated loss of institutional and constitutional independence. Several attempts have been made at voluntary cooperation among the institutions of Michigan and President Ruthven reported that one such effort in the nineteen forties achieved reasonable gains in mutual understanding and a diminuition of counterproductive rivalry.[53]

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[50] Dunbar, The Michigan Record in Higher Education, pp. 301-48.

[51] Lederle, "The State and Higher Education," p. 327.

[52] Ibid., p. 328. A similar view was expressed by Michigan Senator James Milliken in an address to a meeting of governing board members in 1949. Association of Governing Boards of State Universities and Allied Institutions, Proceedings, Twenty-seventh Annual Meeting, pp. 45-46.

In summary, The University of Michigan was directly affected by changes in the appropriations process and by the increase in competition among institutions of higher education for operating funds from the State. In both instances, the University was required to commit greater manpower and preparation to its interaction with the Legislature and in most cases the required activities were such that they were handled by administrative staff rather than individual Regents and the President.

Increased Legislative and Public Awareness

A sample of correspondence, legislative records, and newspaper accounts of the period 1920 to 1950, reveals strong evidence of a growing legislative and public awareness of the events and problems related to The University of Michigan and other institutions of higher education in the State. It is apparent that a considerable portion of the increasing awareness was focused on the financial aspects of the problems and events involved.

University officials, including the Regents, were not unaware of these developments and found it necessary to provide the Legislature and the public with greater detail regarding the operation of the University. To a major degree, the appointment of a University Vice-President for public relations in 1944[54] was a reflection of the Regents recognition of the need for a more systematic and continuing presentation of the University's case to the Legislature and its other publics.[55]

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[53] Ruthven, Naturalist, p. 74. The periodic attempts to establish a formalized system of higher education in Michigan are most interesting and would offer a fascinating topic for further study.

The protracted discussions and maneuvering that often accompanied the Legislature's handling of the University appropriation bills were followed closely by the newspapers and editorial opinions were not uncommon. Two prime examples of this pattern were the defense of the University's independence by the Detroit News in 1929[56] and the extensive coverage given the public appeal by President Ruthven for greater financial support of the University in 1949.[57] In both instances the press was quick to report the existence of problems between the University and the State government and no doubt was influential in heightening public awareness of the situations. It is also interesting to note that in both cases the press was generally supportive of the University's position.

The Legislatures during this period became increasingly interested in greater details in the University's budget requests. To some extent this may be explained by the rise in total appropriated funds from 1920 to 1950. The competition for limited resources might also explain an increase in scrutiny by legislative committees and individual legislators. Perhaps an increase in public concern for the development of public higher education was an additional factor influencing legislative action. It would be difficult, if not impossible, to reconstruct the causes of the increase in legislative interest in University affairs, especially financial matters, for so many of the documents and personal correspondence are not available. However, that should not prevent the recognition of the growing interest and its implications.

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[54] Supra, p. 156.

[55] Interviews, E. Blythe Stason and David B. Laird Jr., May 6, 1971; and Robert P. Briggs and David B. Laird Jr., May 25, 1971.

[56] Supra, pp. 93-94.

[57] Supra, p. 137.

The Altered Relationship: A Summary Description

The evidence of the six sections of this chapter have described changes in the basic elements of the relationship between the Regents and the Legislature. The evidence leads to the conclusion that the relationship as it obtained in 1950 was different in many respects than that of 1920. However, these descriptions are approximations, for at no time in the thirty years were the elements static, but remained dynamic and subject to abrupt alteration. Nevertheless, it is possible to compare the approximations and arrive at composite interpretations.

The relationship of 1950 was more formal and less able to be affected by individuals. It was much more complex as a result of procedural changes and less secure due to substantive modifications in the means of legislative support for University operating expenses. The central focus of the relationship, financial support, was dependent to a far greater degree on the convergence of partisan politics and the critical balance of demands for services with available State resources.

The alterations which occurred in the relationship were accomplished without modifications in the constitutional powers and responsibilities vested in both the Regents and the Legislature regarding the University. Significant changes did occur, however, in general economic conditions of the State which made it necessary for the Legislature to alter the means by which it satisfied its responsibility to provide financial support for the University.

The application of an annual budget-appropriation cycle added further intricacies and uncertainties to the system of State support for the University and expanded the number of participants in the relationship by the development of supporting staff for the President of the University, the Legislature, and the State Executive. These factors combined with greater competition for funds within public higher education made the annual process highly pressurized and complex.

Finally, the relationship came under increasing public scrutiny which may have produced additional pressures as did the constant rise in demands for greater service.

CHAPTER V

INCREASING DEPENDENCE ON THE LEGISLATURE

The relationship between the Regents of The University of Michigan and the Legislature of the State of Michigan was derived from the responsibilities assigned to each in the Constitution of 1850. As its context has been altered, so too, has the form of the relationship. To analyze this relationship without regard to its contemporary and historical contexts would not only be irresponsible, but also artificial. Yet, to attempt to provide a complete documentation of the operation of the relationship within its world context would be a staggering assignment. The nature and purpose of this study necessitated a compromise; to view the operation of this relationship within a designated time span with an awareness of its current and historical contexts, but without a constant analysis of them. Thus the conclusions and observations which follow should be weighed with the knowledge of their inherent limitations.

In a 1924 decision, the Supreme Court of Michigan summarized the historical status of The University of Michigan and the Michigan Agricultural College (subsequently Michigan State University) and declared that they were independent of other departments of state government. The Court also ruled that the Boards controlling the institutions were responsible only to the people who had elected them.

> These institutions of learning are very close to the hearts of the people of Michigan. They have made them the most unique organizations known to the law, in this, that they are constitutional corporations created for the purpose of discharging state functions. The people are themselves the incorporators. The boards that control them are responsible only to the people who elect them. They are independent of every other department of state government.[1]

It may be concluded from the evidence in Chapters III and IV that the simple description of the relationship between the governing boards of these institutions and the State became outdated between the time of this decision and 1950. This decision was rerdered in a case in which the governing board of the Agricultural College was contesting the right of the State Executive to interfere with the system by which the State Legislature fulfilled its constitutional obligation to provide support for the Agricultural College and the University.[2] The circumstances of the case are thus indicative of the development of operational complexities which made increasingly difficult the implementation of the separation of powers and responsibilities assigned by the State Constitution and reaffirmed in this case.

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[1] State Board of Agriculture v. The Auditor General (226 Mich. 417), 1924.

[2] Ibid.

Altered Relationship

The initial conclusion that must be drawn from this study is that from 1920 to 1950 the relationship between the Board of Regents of The University of Michigan and the State government was significantly altered. The evidence of Chapter III and the analysis of Chapter IV, when combined, demonstrate that the altered relationship was more complex, characterized by different elements, less secure, dependent to a greater extent on external variables, and more closely identified with the general political processes of State government.

Lack of Conspiracy and Design

The changes and modifications which occurred during this period (1920-1950) were not the products of a predetermined plan or conspiracy designed to bring about alterations. The changes were the by-products of economic and social conditions in the State over which neither the Regents nor the Legislature had consistent control. An important exception to this conclusion was Governor Green's calculated proposal to alter the authority of the Board of Regents, a proposal that died in committee due to a lack of support.[3]

Financial Dependence on Legislature

The history of the relationship between the Regents and the Legislatures from 1850 to 1920 clearly indicates that the primary factor of their interaction was the method used by the Legislature to provide funds to the Regents for support of the University.[4] Price accurately forecast the ongoing reliance on the State for support of operating expenses and also noted the advantages of a mill tax system for revenues over a direct annual or biennial appropriations process.[5] The salient features of the mill tax, as applied in Michigan, were the continuing clause which offered a shelter from the political or economic storms of any particular legislative session, and the separate status of the University mill tax from general appropriations.

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[3] *Supra*, p. 89.

The combination of legislative and executive actions from 1921 to 1947 removed the historic protection of the University support system and ultimately left the Regents dependent upon each succeeding Legislature for annual support of the University's operating costs. To the extent that it is possible to identify turning points in this twenty-seven year transition, two specific events stand out above the others. The first came in 1933 when the Legislature was forced by economic necessity to find an alternative for the University mill tax based on assessed property values.[6] The implications of this decision were succinctly summarized by E. Blythe Stason, a Professor of Law and advisor to several legislators at the time. He saw this as a critical turning point in the University's independent status, which signified a growing dependence on the Legislature.

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[4] Price, "Financial Support."

[5] Ibid., pp. 55-56.

[6] Supra, pp. 114-117.

> The property tax could not keep on supplying all the needs of government, so the change was inevitable, but the change meant the difference between the relative constitutional freedom of the University on one hand and dependence on legislative committees on the other hand. This was the turning point, precisely. There were gains and there were losses. We lost the fiscal independence. We gained something though, and I think its a gain when people in the Legislature who are responsible for the legislative program know what's going on in state institutions. And so while it was a change, I don't decry the change. But at the same time, I don't think the University was functioning as easily and smoothly after the change took place.[7]

The second event of major consequence occurred in 1947, when the Legislature was again faced with economic problems which demanded readjustments. The decision to place all state-supported budgets on an annual cycle had a direct impact on the Regents and the University.[8] As a general fund budget item, the University's budget request faced potential competition from all other general fund agencies and services. The fact that the cycle was to be annual greatly expanded the cost to the University of preparing and articulating the requests for funds and placed long range planning at the University in jeopardy.[9]

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[7] Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971.

[8] *Supra*, pp. 126-127.

Thus the Legislature's decisions in 1933 and 1947 represent significant points in the transition from relative financial independence of the University to substantial financial dependence upon the Legislature.

Changing Role of the Regents

The Board of Regents of The University of Michigan has been responsible for the "general supervision" of the University and the "direction and control" of its expenditures since the implementation of the Constitution of 1850. The constitutional powers and responsibilities of the Board of Regents and the method of selection of individual members remain in effect to date, largely due to the general satisfaction with the viability of the arrangements. Throughout the history of their service, the Regents have been generally distinguished by their dedication to serving the public interest and their devotion to the basic interests of the University.[10]

From a review of the activities and role of the

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[9] Interviews: William B. Cudlip and David B. Laird Jr., May 12, 1971; Eugene B. Power and David B. Laird Jr., May 18, 1971; and Robert P. Briggs and David B. Laird Jr., May 25, 1971. It should be noted that Mr. Briggs and Mr. Power both served terms as Regents and that Mr. Cudlip is currently a member of the Board of Regents. See also: Cudlip, The University, p. 155.

[10] E. Blythe Stason and Wilfred Shaw, "The Organization, Powers, and Personnel of the Board of Regents," in Vol. I of The University of Michigan: An Encyclopedic Survey, ed. by Wilfred Shaw (4 vols.; Ann Arbor: The University of Michigan, 1941-1958), p. 150.

Board of Regents from 1920 to 1950 two conclusions emerge. First, the ability of individual Regents and the Board itself to be intimately involved in the day to day decisions of University affairs was substantially diminished during the period. Secondly, there was an apparent zenith and subsequent decline in the personal prestige and influence of the members of the Board, which also revealed a weakness in the candidacy process.

With regard to the diminution of the Regents' activity, it would seem that this was a development of the increasing size and complexity of the University in the twentieth century and probably not at all unique to this institution. In this transition the President and his administrative staff assumed greater responsibility for the day to day decisions as well as the formulation of the policy questions to be decided by the Board of Regents. The transition at Michigan was not, however, a simple progression and the principal variable appears to have been the confidence of the Board in the President. There was evidence during the Burton administration that the Regents were extremely confident of his leadership and relied heavily on him for setting the tone and direction of the institution.[11] They were not nearly as removed during the Little years and ultimately found it necessary to force the President's resignation due to the problems Little was causing for the

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[11] Supra, pp. 73-75.

University and the Regents.[12] Under Ruthven the Regents returned to the pattern of detached interest and their formal involvement was almost totally restricted to broad policy questions by the late nineteen forties.[13]

Viewing the history of the elective procedure for the selection of the members of the Board of Regents, it is impossible not to be impressed by the paucity of embarassments and problems for either the University or the State. Although the process has produced generally favorable results, the stature and caliber of individual Board members has varied widely.[14] During the late nineteen twenties and early thirties the individuals on the Board represented a high level of personal prestige and influence as well as collective expertise.[15] They guided the University through a difficult and controversial period with a high level of concern for the ideals of the University. An indication of their stature in the State is illustrated in a letter from President Franklin D. Roosevelt to Frank Murphy urging him to run for Governor of Michigan in the 1936 elections. In the letter Roosevelt suggests that Murphy "secure the support of the University Regents" as one of the "constructive" steps toward nomination and election.[16]

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[12] Supra, pp. 90-91.

[13] Supra, p. 121. Also Interview, Robert P. Briggs and David B. Laird Jr., May 25, 1971.

[14] Stason and Shaw, "The Organization, Powers, and Personnel of the Board of Regents," pp. 140-58.

[15] Supra, pp. 100-102.

By the nineteen forties the effectiveness of the Board and the stature of its membership had receded. The attention to the best interests of the University was impaired by internal dissension among the Board members.[17] In 1948 the decision to back away from a broad commitment to adult education appeared to be dictated by external pressures brought on the Regents and thus represents an ebbing of the Board's stature and the integrity of its decisions.[18]

The combination of the varying effectiveness of the Board and an increase in the quantity and complexity of University administrative details placed greater responsibility on the President and his expanded staff for the maintenance of institutional continuity, stability, and development. Although the Regents retained the Constitutional power and responsibility for the direction and control of the University, by 1950 the Board had quite clearly yielded or delegated a significant portion of that power to the President and the administrative staff. The relationship between the Regents and the Legislature had become indirect, at best.

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[16] Letter, Franklin D. Roosevelt to Frank Murphy, January 7, 1936, Murphy Papers, Box 33, MHC.

[17] Supra, pp. 119-120. Ruthven, Naturalist, pp. 38-40, 79. Van de Water, Peace Maker, Chap. VII.

[18] Supra, pp. 131-132. Ruthven, Naturalist, p. 41.

Increased State Interest and Activity in Higher Education

Institutions of public higher education in the United States during the first half of the twentieth century faced numerous challenges among which were unprecedented growth, increasing public demands for service, and an awakening of state governmental interest in the financial affairs of these institutions. This awakening combined with the reorganizations in state governments resulted in altered procedures, improved methods of information collection and analysis, and in many states a consolidation of fiscal management.[19] This pattern was present in Michigan beginning with the administration of Governor A. J. Groesbeck and was manifested in a centralized administrative board, an executive budget, and increased interest in the purposes and uses of appropriated funds.

As long as the mill tax law remained in effect, the potential and actual impact of legislative and executive activities in fiscal management remained comparatively minor for the University. To be sure, the ceilings on the mill tax revenues and the curtailments in capital appropriations created significant budgeting problems for the Regents and University officials. The potential impact of State action was multiplied manifold as the University's budget requests traversed from a separate legislative consideration to an integral part of an annual general fund budget (1935-1947).

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[19] U.S. Office of Education, Fiscal Control over State Higher Education, p. 46.

No conclusive evidence was found to warrant an allegation that the Legislature or the Governor from 1920 to 1950 sought to evade or alter the Constitutional responsibility to support the University. Nevertheless, it must be noted that the decisions by the Legislature throughout the period to curtail or delay the amount of support were judgmental decisions which could be contested by either side as consistent or not with the best interests of the University and the State. In defense of the Legislature it must be stated that the modifications in financial support for the University coincided with periods of economic pressure or crisis and that within the limitations of an outdated and overburdened tax structure, the State was usually generous to the University. This does not, however, alter the fact that in comparison with other states, including several neighboring midwestern states, the actual support to public universities in Michigan was not keeping pace.[20]

The relationship between the Regents and the Legislature in 1920 has been described as having been relatively simple and uncomplicated.[21] It has been noted that from 1920 to 1950 the relationship was altered by several factors[22] and that by 1950 the University President and his administrative staff were the primary participants in the relationship with the Legislature.[23] A fourth party, the State Executive, entered into the relationship during this period and quickly became an integral force in the legislative appropriations process.[24] As a source of considerable influence with the Legislature and the power of veto over legislative bills, the Governor's role in determining the level of support for higher education in the State became and continues to be a critical factor. In summary, the relationship during the thirty years was transformed into a complex process involving additional participants and variables.

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[20] Supra, p. 135. See also: Robert L. Williams, "Financial Support of State-Supported Colleges and Universities," Michigan Educational Journal, XXVII (November 1949), p. 211.

[21] Supra, 61-62.

Adjustments in University Independence

In light of conclusions regarding increases in the University's dependence upon legislative financial support and the rise in general interest of State government in public higher education, a question which must logically follow is to what degree did these and related developments modify the relative independent status of the University. Because the *de jure* status of the Regents and the University remained stable from 1920 to 1950, modifications that did occur must have affected the de facto status.

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[22] *Supra*, Chapter IV.

[23] *Supra*, pp. 155-157.

[24] *Supra*, pp. 157-163.

Among the numerous factors determining the University's de facto status, the most important during the period was the dependence on the Legislature for financial support.

There is a fine line of distinction between decisions by a funding agent and policies applied by the funded institution. Some would argue that the source of funds is ipso facto a major determinent in policy decisions, while others insist that the relationship is not by necessity a direct linkage in policy decisions.[25] As an example of the separation of funding and policy decisions, the case of state and federal judiciaries may be cited in which monies are regularly appropriated for the administration of the courts and judges salaries. However, an attempt by the legislative funding agent to influence judicial decisions would not only be considered illegal, but an abridgement of a necessary separation of powers and function insuring fair and equal justice.

Applying this model to public higher education leads to the assertion that legislatures should consistently provide adequate funds for the operation of public institutions of higher education and reserve for the institutional governing boards and faculties decisions regarding institutional policy. Under such a system academic freedom and institutional integrity would be assumed to be protected against the encroachment of political or economic expediency.

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[25] Chambers, Freedom and Repression, p. 7.

Was such a model in practice in Michigan from 1920 to 1950? The evidence provided in the previous chapters of this study dictates a qualified response in the negative.

The system of University support established by the mill tax law coupled with the authority of the Regents derived from the Constitution provided a status for the University that was considered by many to be very effective in the support it offered and the protection it fostered.[26] When it became necessary for the Legislature to alter the mill tax law, portions of the independent status of the University were sacrificed for a continuance of general funding levels. Perhaps one of the most significant changes occurred in 1933 when the property base mill tax was abandoned and support for the University was appropriated from revenues in the general fund.[27] With the elimination of the mill tax came what Stason termed "a startling change in the burdens placed upon the University to make a showing before the State Legislature of actual needs."[28] The changes in procedure and the increased attention of the legislators regarding University funds gave impetus to a greater dependence on the legislative process and increasing activity in it. The overall effect was a subtle diminishing of the independent status of the Regents and the University.

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[26] Price, "Financial Support," pp. 55-56.

[27] Supra, pp. 115-117.

[28] Interview, E. Blythe Stason and David B. Laird Jr., May 6, 1971.

This trend was accelerated by the decisions of 1947 to place appropriations on an annual basis and remove the continuing clause in the University appropriations law.[29] As a result of the operational application of these changes, it is possible to conclude that the *de facto* status of the Regents vis-à-vis the Legislature had been altered between 1920 and 1950 to the extent that in 1950 the Regents, with regard to financial support from the State, were subordinate to the Legislature.

Failure to Comprehend Changes

The responsibility of public officers to comprehend and adjust to changes as they occur is a bewildering, if not impossible charge. Yet, their constituents cannot afford to expect anything less from their elected representatives in the operation of the affairs of government.

In applying the dual test of comprehension and adjustment to the Regents and the Legislatures from 1920 to 1950, the pattern of behavior which emerges is neither consistent nor surprising. Each body had moments of decisiveness and others of ambivalence. Underlying the official actions of both bodies throughout the period was an apparent lack of appreciation for the inherent differences in their respective public roles and an inability to sustain a positive complementary relationship based on their shared responsibilities. Too often when problems occurred, either or both retreated to legalities rather than confronting the realities of the situation.

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[29] *Supra*, p. 127.

There is no evidence that the Regents or the Legislature sought to improve their understanding of the changes in their relationship through careful study and analysis. Instead, both bodies appeared to proceed on precedent and preconceived notions regarding their proper roles.

The result, of course, was not the demise of either the University or the Legislature, but was a combination of effects far more subtle and difficult to measure. These effects ranged from a waste of human effort to the failure of institutions to realize their full potential.

Among the participants in the relationship in these three decades, President Alexander Ruthven should be singled out for his sensitivity to the realities and possibilities of public higher education in Michigan. He understood the University, its strengths and faults, and was keenly aware of the great pride the people of Michigan had in the institution. He also understood the legislative process and saw the benefits of perceiving the legislative interest in the University as grounds for a noble partnership rather than a competition for influence of management. He was among the few at the University who recognized the desirability of developing the strengths of the various public institutions of higher education in the State as constituting the best interests of the people of the State as well as the University.

As the University began the decade of the fifties, it was operating within a significantly changed relationship with the Legislature and the State. The University had experienced unprecedented growth and development in the past three decades, but the costs had included a decline in its relative autonomy and in increased dependence on the financial support of the State Legislature. The Regents, once the undisputed arbiters of University policy, had been reminded of the power of the purse. In addition, the President and his administrative staff had emerged as the primary source of administrative continuity and the representatives of the University to its numerous publics.

Although the University remained an institution of international stature in 1950, it is fair to speculate on the extent to which the University and the many publics it served might have further benefited if the Regents and the Legislatures of Michigan had better understood the changes that were affecting their relations from 1920 to 1950. They shared constitutional responsibilities for educational service to the State and an accountability to the people of Michigan, yet they failed to sustain the mutual understanding and respect that should accompany such an association.

Future Research Challenges

In the two decades following 1950, most of the fundamental issues which have been analyzed in this study have persisted.[30] The increasing public demands on higher education for service continue to be accompanied by periodic calls for greater efficiency and economy on the campus. Competition for available state resources has not diminished, but rather continued to rise at an alarming rate. Questions regarding the proper role of the public, state legislators, federal agencies, internal constituencies, and governing boards in the governance of institutions of higher education are as relevant in 1971 as they were in 1950. Theorists and practitioners have yet to agree on how best to meet the educational needs of society while sustaining essential academic freedoms and maintaining institutional responsiveness to changing conditions and priorities.

The dynamics of these issues, national as well as in Michigan, need to be analyzed and their implications explored. In many cases, though, the analysis must be delayed until access may be obtained to essential documents, correspondence, and personal recollections. Such is the situation with respect to the relationship between The University of Michigan and the State of Michigan from 1950 to 1970.

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[30] A concise summary of contemporary issues and problems is provided in T. R. McConnell, "Accountability and Autonomy," The Journal of Higher Education, XLII No. 6 (June, 1971), pp 446-463.

Nevertheless, there are three distinct problem areas, about which some facts are known, which will undoubtedly challenge future researchers. There should be an analysis of the decisions of the Michigan Constitutional Convention of 1961-62 with regard to higher education in the State.[31] Why did the Convention reaffirm the existing status and powers of the governing boards of The University of Michigan, Michigan State University, and Wayne State University and extend constitutional status to all other state-assisted institutions of higher education?[32] Why did the Convention not explicitly define the Legislature's obligations to support higher education in the State?[33] What role did the Convention intend for the State Board of Education in higher education and was that role feasible?[34]

There is also a need for an analysis of the reawakening of the Legislature to the potential power of conditions attached to appropriation statutes. In what areas may the Legislature appropriately attach conditions to appropriation bills for the public universities? To what extent are the governing boards of the constitutionally established institutions bound by the conditions? What are the educational and political implications of such conditions? What effect will the case of The Regents of The University of Michigan et al. v. The State of Michigan have on the contemporary trend of increasing legislative involvement in higher education?[35]

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[31] Michigan, Official Record of the Constitutional Convention, 1961-62 (Lansing: State of Michigan, 1964).

[32] Michigan, Constitution of 1963, Article VIII, section 5.

[33] *Ibid.*, section 4.

[34] *Ibid.*, section 3.

Finally, future researchers must address the fact that in 1971 the State of Michigan had not achieved the fiscal reform which has been urgently needed since the nineteen thirties. What have been the effects of the lack of sufficient resources on the universities in the State? Why do the people of the State continue to resist the graduated income tax as a form of fiscal readjustment? Given the economic dilemmas, would the institutions of higher education have achieved greater budgetary priority in a coordinated system of higher education?

All of these questions are vital for Michigan and each bears directly on the present and future relationship between the State and its institutions of higher education. In the past, despite the turmoil of succeeding crises, the universities of Michigan, especially The University of Michigan, have achieved a notable record. Future success will depend to a great degree on the ability of the Legislature and the institutions to sustain mutual respect and understanding of their separate and dual responsibilities, while maintaining the support of an enlightened public.

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[35] Supra, p. 58.

APPENDIX

A REPORT TO THE REGENTS OF THE UNIVERSITY OF MICHIGAN

(Confidential)

To the Regents:

This is a further report on the alarming trends apparent in the educational operations of the University of Michigan as a result of the low level of financial support now being received from the State as compared with former years and with the support of universities in other states. Additional data have now been collected both from within the University of Michigan and from other state institutions.

These data further confirm the conclusions already reported to you, namely, that the high standing of the University of Michigan and the superior quality of its educational programs cannot be maintained much longer without a marked upturn in the level of financial support received from the State.

The present critical situation of the University becomes strikingly apparent from even a brief survey of the changes which have occurred during the past twenty years.

In the fall term of 1929, the enrollment of the University of Michigan was 9,698. The operating appropriation from the State of Michigan was $4,920,000 -- or an average of $507 for each student enrolled. Student fees produced an average of $130 per student. The total teaching staff was 745, or about 1 teacher to each 13 students.

The State appropriation of $507 per student in 1929-30 was the highest received by any major state university in the nation. This relatively high level of State support enabled the University to maintain a teaching staff and a quality of educational programs excelled by none and equalled by only a few of the stronger endowed institutions. In 1929, few would have questioned the claim of the State of Michigan that its university was the outstanding state university of the nation.

The economic depression which struck late in 1929 brought serious troubles to the University of Michigan as it did to other institutions and businesses in the State and the nation. The State appropriation for operations fell to a low of $3,200,000 in 1934-35. The capital building program begun under President Burton was halted while little more than half completed. Faculty salaries were cut sharply, and the appointments of many staff members not on permanent tenure were terminated. No money was available for the purchase or maintenance of teaching and research equipment. Since student enrollment had remained about constant, the inevitable result was larger classes, heavier teaching loads, and a decline in the quality of instruction and research.

By 1939-40, the State and the nation were beginning to shake off the effects of the depression, but in this recovery the University of Michigan, along with other educational institutions in Michigan, lagged behind.

In 1939-40, the fall term enrollment of the University was 12,132, or 27% more than before the depression. The State appropriation, however, was only $4,475,000, nearly $500,000 less than ten years earlier, and an average of only $369 per student enrolled. Although the faculty was called upon to teach nearly 2,500 more students than in 1929-30, it numbered only 732, or 13 less than ten years earlier. The result was that the ratio of teachers to students had fallen from 1-13 in 1929 to 1-16.5 in 1939. To have restored the 1929 ratio of teachers to students would have required a teaching staff of 933. Thus, in 1939-40, the University faculty was seriously understaffed, with a shortage of about 200 men.

The seriousness of the situation in the late thirties was accentuated by the fact that many other leading universities in the nation were able to make more rapid recovery from the effects of the depression. A number of outstanding teachers and scholars were lost to other institutions during this period.

Efforts of the University and of state officials and legislators to remedy the situation were interrupted by the advent of World War II in 1941. Since the end of the war in 1945, these efforts have been renewed and intensified. But despite generous and understanding support by the Michigan legislature and State officials, further ground has been lost in the post-war years. The increases in enrollment and price levels have been so large and so rapid that faculty, equipment, and salaries have fallen even further behind.

In the fall term of 1948-49, the University of Michigan enrollment reached a new high of 21,370. The operating appropriation from the State was increased to $9,750,000. But the current appropriation of $9,750,000 represents an average of only $456 per student -- or $51 less than the $507 available twenty years ago when the price level was much lower. To equal at 1948 price levels the University's 1929 appropriation, the figure for 1948 would have to be $679 per student or a total of $14,510,230. To equal the 1939 appropriation would require $605 per student or a total of $12,928,850. Put in another way, the present appropriation of $456 has a purchasing power on the 1939 basis of only $278, or nearly 30% less than the $369 per student actually appropriated to the University in 1939.

By any measure which may be applied, the appropriation available to the University today buys far less goods and services for the instruction of each student than has been the case in the modern history of the University.

Student fee income is now five times what it was twenty years ago, and the individual student pays from one and one-half to nearly three times as much as did the prewar student. But even this great increase has not been sufficient to offset the relative decline in the State appropriation.

If the decline in per student income of the University were merely a matter of statistics, there would not be so much cause for alarm. The alarming thing is that this decline has made its effects increasingly felt in the educational processes of the University.

To teach the present student body of over 21,000, there is available a teaching staff of 1,187 on a full-time equivalent basis. This means that the present teacher-student ratio in the University is 1-18. To get back to the 1930 ratio of 1-13 will require the addition of 428 full-time additional teachers at a total annual cost of at least $2,000,000. Even the ratio of 1-13 would be considerably short of ideal for modern teaching methods in a university like Michigan where 50% of the student body is comprised of seniors and professional or graduate students.

A survey of 289 colleges and universities made in 1945 by the North Central Association of Colleges* reveals that the median teacher student ratio was 1-12.3. Only 10% of the 289 institutions studied had as many as 18.8 students per teacher, while 25% of the institutions had fewer than 10 students per teacher. These figures high light the glaring inadequacy of the current Michigan ratio of 1-18.

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*See Report of President's Commission on Higher Education, 1947, Vol. IV, page 10.

One result of the understaffed faculty is a dangerous increase in the size of classes. By extraordinary effort the size of most freshman first-year classes has been kept down to about pre-war size. In freshman English, for example, no section is today larger than 22 students. But in the upper classes and in the graduate courses, many classes have grown to unmanageable size because of the lack of qualified faculty to teach additional sections. In Physics and Chemistry, a number of advanced and graduate classes number over 60 students, at least three times the proper number for satisfactory teaching. Class sizes in general throughout the University are on the average from 25% to 100% larger than in 1939-40.

Teacher student ratios and class sizes would be even worse if it were not for the large number of teaching assistants who are now included in the teaching staff. In 1929, less than 3% of the total faculty consisted of teaching assistants; in 1939, the figure had grown to nearly 10%; today, teaching assistants account for over 20% of the entire teaching staff. Many of these teaching assistants are excellent teachers, but they are all relatively young and inexperienced. Their use in such large proportions constitutes a distinct threat to the quality of teaching in the undergraduate units of the University.

Paralleling the decline in the relative number of faculty men available for teaching the present large enrollments has been a decline in the quality and amount of teaching and research equipment. In 1929-30, the University spent an average of $17.09 per student on teaching equipment and materials. In 1939-40, this figure had fallen to an average of $4.59 -- scarcely enough to keep old equipment in repair. Today, with a price level approximately 70% above 1939, the expenditures for equipment averages only $8.86 per student. The results of this 20-year neglect of equipment needs is shockingly apparent from an inspection of the equipment now being used in many of the scientific and engineering departments.

The General Library furnishes one of the most striking examples of the losses due to insufficient funds and facilities. The University of Michigan Library is still one of the world's great research collections, but is in grave danger of losing its high place. In 1929 Michigan's Library ranked seventh among University libraries in the number of its book collections. Today it has fallen to ninth place, having been passed by both Minnesota and California. Unless current trends are changed by the provision of more funds for book purchases and more space for books, Michigan's Library seems bound to fall even farther behind. The story is strikingly evident in the number of volumes added in leading university libraries during the year 1947-48. These figures are as follows: Michigan - 36,056; Harvard - 151,648; California-133,576; Yale - 128,083; Illinois - 108,896; Columbia - 62,065; Minnesota - 58,904; Indiana - 51,763; Chicago - 50,651; Northwestern - 48,312.

Faculty salaries have also suffered despite a determined effort to devote every cent possible to this all important purpose. Since 1939 the average real income of all employed persons in the nation has increased by approximately 30%. During the same period the real income of University of Michigan faculty members has decreased by over 12%. Thus the University of Michigan faculty members have not only failed to share in the higher standard of living being enjoyed by other groups in the nation but they have actually suffered a sharp decline in their own standard of living. Even the salaries of public school teachers in Michigan, and in most other states, have more than kept pace with the increased costs of living. The obvious result of such a trend is to make university teaching a less attractive profession for young men choosing a career and to make other fields more attractive to teachers who have offers elsewhere.

The danger signals in these trends are all too plain. It is not easy to measure changes in the educational performance of a University. Perhaps the best measures are the number and professional qualifications of the teaching staff, the facilities and equipment available, the level of salaries paid, and the continuing financial support accorded the institution. No one of these measures is conclusive, but when they all show signs of decline over so long a period as twenty years, the trend is unmistakable.

The present critical position of the University of Michigan is intensified by the fact that a number of universities in other states have now surpassed Michigan in the level of financial support received from their respective states. As examples, the universities of California, Florida, Illinois and Oregon now all receive substantially more pre student in their legislative appropriations than does Michigan. Judging from reports on current legislative sessions, it is likely that Indiana, Iowa, Minnesota, Ohio and Wisconsin will soon join this list.

The cases of Illinois and California are particularly illuminating. Twenty years ago in 1929 the University of Illinois received from its legislature an appropriation averaging $384 for each of the 12,413 students enrolled; California received $389 per student. Each of these appropriations was over $100 less than the University of Michigan appropriation of $507 per student. Today the situations are completely reversed. The University of Illinois appropriation averages $829 for each of the 26,000 students enrolled; California's average is $588 for each of its nearly 44,000 students, while Michigan receives only $456 for each of its 21,370 students. In other words, over a 20-year period the Illinois and California appropriations have increased by $445 and $197 respectively, while Michigan has declined by $49.

The results of the increased financial strength of other institutions have appeared in the numerous offers made to members of the University of Michigan staff. Within the past two years at least 23 members of the University of Michigan faculty have been offered deanships or department headships in other major institutions. The institutions making the offers include such institutions as California, Illinois, California Institute of Technology, Northwestern, Johns Hopkins, Cornell, Purdue, Stanford, Ohio State and Illinois Institute of Technology. Only two of these men now hold chairmanships at Michigan. They are all young men, and, of course, among the most promising on the staff. The loss of even half of them would be a blow from which the University would find it difficult to recover.

For the time being, Michigan has met in large measure the challenge of competing offers to its staff. But it has not done so in terms of salaries. These men have stayed at Michigan because they want to be at Michigan and because they believe in the institution, and because they have been promised that Michigan will not be allowed to fall farther behind.

But time is running out. Tradition, reputation and the presence of other outstanding scholars are powerful factors in holding the staff of a university. But they will not long suffice unless facilities, equipment, teaching loads and salaries can be kept at least reasonably near to the standards set by other institutions.

Michigan's faculty still ranks among the best in the world. In the latest compilation of Men of Science, the Who's Who of the scholars of science, the proportion of Michigan's faculty receiving the star of distinction was surpassed only by California Institute of Technology, Princeton and M.I.T. But the very strength of the Michigan faculty makes it a target for other institutions seeking to strengthen their own faculties.

Unless Michigan is given the financial support needed to compete with the best of the state universities, it could lose in a few years the scholarly strength which has taken fifty years to build. Unless the present trends of support are reversed, there is eminent danger that this is exactly what will happen. Conditions such as now prevail at the University of Michigan will be accepted on the basis of a temporary post-war emergency, but they will not long be tolerated by a strong faculty once it appears there is danger that emergency expedients may become permanent standards.

I am making this report to you to emphasize the absolute necessity for halting and reversing the downward trend of financial support which is the cause of the University's present critical position. In so doing I want to make it clear that no criticism is intended of the officials or legislators whose responsibility it has been to make provision for the University's support. These men have not been responsible for the depression, or the war, or the surging price level, or the tremendously increased enrollments which have made the task of adequate financial support such a large one. Neither are they responsible for Michigan's sales tax diversion which has so complicated the financial problems of the State.

However, the fact that the current financial situation of the University and of the State can be explained does not lessen the gravity of the University's needs nor the necessity for prompt and bold action in meeting them.

Alexander G. Ruthven
President

March 15, 1949.

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ABSTRACT

THE REGENTS OF THE UNIVERSITY OF MICHIGAN AND THE LEGISLATURE OF THE STATE 1920-1950

by

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Throughout the history of The University of Michigan, the relationship between the Board of Regents of the University and the State Legislature has been an important element in the growth and development of the University. The need for the continuing interaction between the Regents and the Legislature has been provided by the duties and responsibilities, vis-à-vis the University, assigned to each by the Constitutions of the State.

Over a period of thirty years (1920-1950) the relationship between the Regents and the Legislature was altered significantly. Three major developments contributed to the alterations in the relationship. In 1932, the State was faced with income deficiencies which dictated modifications in the State tax laws, including the special property mill tax for the support of the University. Economic problems in 1947 forced the Legislature to place all State budgeting on an annual schedule and to transfer University appropriations from special status to item status in the general fund. During the period there was a noticeable increase in the influence and activity of the State Executive in the fiscal affairs of the State, including those associated with the University.

The analysis of official documents, personal and official correspondence, and interviews (University Regents and administrative personnel, and State officials) revealed that the results of the changes included altered internal and external roles for the University Regents, increased State interest and activity in higher education, and a subtle diminution of the de facto independence of the University. Whereas, prior to 1920 one could make a strong argument for the Regents representing a fourth coordinate branch of government, by 1950 one could assert that the Regents had become increasingly subordinate to the Legislature, primarily as a function of the growing dependence on the Legislature for annual appropriations for operating funds. Available evidence suggests that neither the leaders of the University nor the Legislature sought to study systematically the implications of these changes and apply the increased understanding to their complex relations.

The study concludes with an outline of remaining research challenges and the assertion that the future success of higher education in Michigan will depend to a great degree on the ability of the leaders of State government and

the institutions to sustain mutual respect and understanding of their separate and dual responsibilities while maintaining the support of an enlightened public.